

The Global Newspaper Edited and Published in Paris. Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, Miami, Rome, Tokyo.

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post PARIS, THURSDAY, MARCH 24, 1988

Algeria... 8.00 Dn... 15.00 Fr... 1.000 Ptas... Australia... 2.5 S... 1.500 Fr... 1.000 Ptas... Bahrain... 0.000 Dn... 1.200 Fr... 8.00 Ptas... Belgium... 50.00 Fr... 500 Ptas... 1.000 Ptas... Canada... C\$ 1.15 N... 500 Ptas... 1.000 Ptas... Cyprus... C\$ 2.00 N... 500 Ptas... 1.000 Ptas... Denmark... 11.00 Dn... 1.000 Ptas... 1.000 Ptas... Egypt... E.P. 7.50... 1.000 Ptas... 1.000 Ptas... France... F 100... 1.000 Ptas... 1.000 Ptas... Germany... 2.00 Dn... 1.000 Ptas... 1.000 Ptas... Greece... 1.00 Dn... 1.000 Ptas... 1.000 Ptas... India... 1.000 Rs... 1.000 Ptas... 1.000 Ptas... Italy... 1.000 L... 1.000 Ptas... 1.000 Ptas... Japan... 1.000 Y... 1.000 Ptas... 1.000 Ptas... Korea... 1.000 W... 1.000 Ptas... 1.000 Ptas... Kuwait... 1.000 D... 1.000 Ptas... 1.000 Ptas... Lebanon... 1.000 L... 1.000 Ptas... 1.000 Ptas... Mexico... 1.000 P... 1.000 Ptas... 1.000 Ptas... Netherlands... 1.000 G... 1.000 Ptas... 1.000 Ptas... Norway... 1.000 Kr... 1.000 Ptas... 1.000 Ptas... Oman... 1.000 R... 1.000 Ptas... 1.000 Ptas... Pakistan... 1.000 R... 1.000 Ptas... 1.000 Ptas... Portugal... 1.000 Esc... 1.000 Ptas... 1.000 Ptas... Saudi Arabia... 1.000 R... 1.000 Ptas... 1.000 Ptas... Singapore... 1.000 S... 1.000 Ptas... 1.000 Ptas... Spain... 1.000 P... 1.000 Ptas... 1.000 Ptas... Sweden... 1.000 Kr... 1.000 Ptas... 1.000 Ptas... Switzerland... 1.000 Fr... 1.000 Ptas... 1.000 Ptas... Taiwan... 1.000 N... 1.000 Ptas... 1.000 Ptas... Thailand... 1.000 B... 1.000 Ptas... 1.000 Ptas... Turkey... 1.000 L... 1.000 Ptas... 1.000 Ptas... U.S.A. ... 1.000 \$... 1.000 Ptas... 1.000 Ptas... U.K. ... 1.000 £... 1.000 Ptas... 1.000 Ptas... Yugoslavia... 1.000 D... 1.000 Ptas... 1.000 Ptas... Zaire... 1.000 Z... 1.000 Ptas... 1.000 Ptas...

No. 32,682 12/88

Iran Charges Iraq With a Gas Attack And Its Grisly Toll

By Patrick E. Tyler... HALABJA, Iraq — More than 100 bodies of women, children and elderly men lay in the streets, alleys and courtyards of this now empty city, victims of what Iran alleges is the worst chemical-warfare attack on civilians in the more than seven years of the Gulf War.



In a photograph from the Iranian news agency, people said to be residents of Halabja, Iraq, gather for transfer to hospitals after an apparent gas attack.

Iran-Iraq Tactics: Fighting for Political Advantage

By Alan Cowell... NICOSIA — In sharp contrast to recent practice, the Iran-Iraq war has become focused on offensives far from the major battlefronts on land that Tehran views as decisive in determining the eventual victor.

Summit Planned May 29

Reagan to Visit Moscow, but Pact May Not Be Set... By Lou Cannon... WASHINGTON — President Ronald Reagan said Wednesday that he would meet with Mikhail S. Gorbachev in Moscow from May 29 through June 2.

In Nicaragua, Optimism on Truce Talks

Compiled by Our Staff From Dispatches... SAPOA, Nicaragua — Sandinista and rebel negotiators resumed their negotiations Wednesday amid optimism that an agreement could bring an extended cease-fire and general amnesty in Nicaragua's six-year war.

The Continuing Grief of Ulster



Relatives of two British soldiers who were killed in Northern Ireland on Saturday waiting as the bodies were returned to the Royal Air Force base at Northolt, England, on Wednesday.

OPEC Decision Bolsters Prices

PARIS (NYT) — Crude oil prices moved sharply higher Wednesday following an announcement by OPEC's president, Riwanu Lukman, that the group's price monitoring committee will meet during the first week of April.

Soviets Urge That 'Every Measure' Be Taken to Prevent Ethnic Protests

By Bill Keller... MOSCOW — The Soviet government called on the police and local governments on Wednesday to "take every necessary measure" to prevent further disturbances in two southern republics that have been shaken by ethnic protests.

Growth Braked Sharply in Soviet Bloc Last Year

By Reginald Dale... Economic growth rates in the Soviet-bloc countries fell sharply last year, braked partly by uncertainty over reform plans, United Nations economists said Wednesday.

U.S. Forces Taiwan to Shut N-Plant

By Stephen Engelberg and Michael R. Gordon... WASHINGTON — Under pressure from the United States, Taiwan has stopped work on a secret installation that could have been used to obtain plutonium, a main ingredient in nuclear weapons, according to Reagan administration officials.



Sketch of short bouffant evening dress from Yves Saint Laurent's fall-winter showings. Page 4.

General News... Democratic candidates are battling to win the votes of elite delegate-politicians. Page 3.

Business/Finance... Visa International will begin testing an electronic credit card with a built-in computer and keyboard. Page 9.

Table with exchange rates: Dollar, DM 1.6915, Pound 1.537, Yen 126.86, FF 5.746.

The 'Big Mac' Hits Belgrade

BELGRADE — The McDonald's Corp. opened its first fast-food restaurant in Eastern Europe, in the Yugoslav capital, on Wednesday and said it planned to open restaurants in other East bloc countries as well.

The Continuing Grief of Ulster

Relatives of two British soldiers who were killed in Northern Ireland on Saturday waiting as the bodies were returned to the Royal Air Force base at Northolt, England, on Wednesday.

Growth Braked Sharply in Soviet Bloc Last Year

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U.S. Tells Israel of Concern

Acts After Threat On Saudi Missiles

By David B. Ottaway

Washington Post Service

WASHINGTON — The United States has expressed its concern to Israel about a statement a senior Israeli official made suggesting his country might strike the intermediate-range Chinese missiles that Saudi Arabia is acquiring, U.S. and Saudi officials said.

In a Sunday interview with the Israeli radio, a close aide to Prime Minister Yitzhak Shamir, Yosi Ben Aharon, said that "the possibility always exists" that Israel might strike at the missile sites.

"We have a reputation that we do not wait until a potential danger becomes an actual danger," he said, according to a translation of the Hebrew text provided by the radio on Tuesday night.

The missiles have a range of more than 1,000 miles — 2,000 for the most sophisticated — and could easily strike Israel.

Saudi officials have said the kingdom wants the missiles because of the widespread use Iran is making of missiles in its war with Iraq. There has been increasing hostility between Saudi Arabia and Iran in the last two years, and Iran has periodically threatened to attack Saudi Arabia for supporting Iraq.

The Israeli radio interview provoked immediate concern and nervousness in Saudi Arabia that Israel might be planning a strike. The Saudis contacted the U.S. government, and the U.S. assistant secretary of state, Richard W. Murphy, called the Israeli ambassador, Moshe Arad, on Sunday night.

"We expressed our concern and said this kind of statement was very unhelpful," a State Department official said Tuesday night.

Israeli officials at first sought to deny Mr. Ben Aharon had made an implicit threat. But the Israeli radio has twice rebroadcast the interview.

The Saudis apparently took the threat seriously because of the surprise, long-range attack Israel launched on an Iraqi nuclear reactor outside Baghdad in June 1981. In addition, Israeli warplanes are also known to have flown along the Saudi western coast and to have entered Saudi airspace.

Mr. Ben Aharon is director-general of the prime minister's office and was involved in Mr. Shamir's wide-ranging talks with top administration officials last week during the prime minister's visit to Washington.

Mr. Shamir is reported to have expressed his deep concern about the Chinese missiles both at the White House last Wednesday and in his talks with Secretary of State George P. Shultz.

Saudi Arabia has "categorically assured" the United States that it does not want, nor intend to acquire, a nuclear capability. And China has assured Washington it will not export nuclear weapons to the Saudi kingdom, according to the State Department officials.

But Israel is reported to be concerned the Chinese CSS-2 surface-to-surface missiles could be fitted with chemical warheads and fired at Israeli airfields or other targets. The United States has been working to lead off any misunderstanding over the missiles among Israel, Saudi Arabia and China while making clear to the Saudi government that it is unhappy the missiles have been introduced into the Arab-Israeli military situation.

Italian Journalists to Strike

The Associated Press

ROME — A nationwide walkout by Italian journalists will close newspapers over the weekend, while broadcast journalists are to begin three days of strikes Thursday.

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China Eases Rules for Foreigners on Land Control

By Edward A. Gargan

New York Times Service

SHANGHAI — In a move to encourage land reform and create a real estate market, China has begun accepting bids from foreign investors who want to buy long-term leases to develop sites in Shanghai.

Diplomats and members of the foreign business community saw the move as historic because control of land by foreigners has been taboo since the Communist armies marched down Shanghai's Bund in 1949 and declared that all foreign property belonged to the people.

"I declare that the tender of bids for land-use rights in the Hongqiao development zone is now open," Jiang Wugao, director of Shanghai's land bureau, on Tuesday told a packed room of Hong Kong business people, diplomats, Chinese trade officials and local lawyers.

Foreign investors have until June 30 to submit their bids on a tract of rubble-straw land on the western edge of the city. Although the land cannot be owned outright — under the law all land in China belongs to the state — the bidder will have

full possession of the rights to use the land, to sell those rights and to use the parcel as collateral for loans.

The land offered Tuesday, the first of what Shanghai officials expect will be a series of land-use sales, is a three-acre (1,211-hectare) parcel about four miles (6.47 kilometers) from the riverfront Bund and the old colonial section of the city. The city hopes the land, part of a 160-acre tract, will be the focus of an international development where consulates, luxury hotels, foreign banks and businesses will spring up.

"The transfer of land-use rights is an important step in the reform of land use," said Ni Tianzhen, a deputy mayor. "Economic means must apply to the use of land," he said, "so the existing system of land use must undergo reform. Only in this way can the resources of land be more fairly used and distributed."

While there are many foreign-owned or jointly owned enterprises in China and Shanghai, these enterprises rent the tracts they use. In central Shanghai, for instance, the maximum annual rental is about \$3 a square foot (\$32 a square meter).

Mr. Ni maintained that this practice was only obsolete because of the restrictions it placed on investors.

"Land-use rights could not be transferred or used as a mortgage," he said. "It was harmful to the development of a real estate industry. A real estate industry plays an important part in the development of a city's economy."

The invitation for bids was the latest, and a particularly telling, act in a growing land reform movement in China.

Last December, for example, the rights to a chunk of land in Shenzhen — an experimental economic territory adjacent to Hong Kong in which tax rules, labor practices and investment procedures are intended to be significantly more liberal than in the rest of China — were sold to a state-owned property company for development.

But until now the long-term leasing of land rights to foreigners was not permitted.

Land use, like other chapters in the socialist bible, has come under intense scrutiny as China's leadership, propelled by the vision of its senior leader, Deng Xiaoping,

tries to jolt the country out of the economic torpor of rigid Soviet-style socialism.

The restructuring of the economy began in China's countryside with the breakup of collective farms and the distribution of land to individual farmers a decade ago. It has seeped into the cities with the legitimization of small-scale and sometimes not-so-small-scale private enterprise.

The guarantees that socialist egalitarianism promised in the past — lifetime jobs, virtually free housing, free medical care and subsidized food — are all under attack as free markets expand their grip on the economy and profit and loss statements become a measure of accomplishment.

One of the last bastions has been property.

While the decision to lease pieces of Shanghai for foreign development is historic, potential investors are skeptical of the timing and need for the practice.

"I don't think anybody will bid on the land," one foreign businessman said. "There isn't any need to buy this, especially when land is leased so cheaply."

UN Votes to Resist U.S. On Closing PLO Office

New York Times Service

UNITED NATIONS, New York — The General Assembly on Wednesday overwhelmingly adopted a resolution that "deplores" the United States attempt to close the Palestine Liberation Organization's observer mission.

A total of 148 countries voted for the draft, which states that the U.S. move violates a 1947 pact governing UN rights in New York. The resolution also calls on the United States to enter arbitration with the world body to settle the dispute, as required under the 1947 pact.

Only the United States and Israel voted against the resolution.

Speaking before the vote, the deputy U.S. envoy, Herbert S. Okun, told the assembly that the Reagan administration opposed Congress's adoption of the Anti-Terrorism Act last year, which mandates the closure of the Palestinian offices. But Mr. Okun said Attorney General Edwin Meese 3d believes the act requires him to take legal action to shut the mission.

The Justice Department filed suit against the mission in Federal District Court in Manhattan Tuesday.

United States marshals delivered a summons to Palestinian envoy Zehdi L. Terzi on Wednesday. Mr. Okun said that the Palestinians "will have every opportunity to raise relevant legal defenses before final action is taken."

"Let us not be diverted from the important and historic goal of peace in the Middle East by the current dispute," Mr. Okun told the assembly.

Johann Bein, the Israeli deputy delegate, read Articles 9 and 19 of the Palestine Liberation Organization charter, which states that "armed struggle is the only way to liberate Palestine" and declare the establishment of Israel "null and void."

Mr. Bein said that "the PLO may not invoke the United Nations Charter for its protection when its own avowed principles contradict that of the charter."

Mr. Terzi launched an angry attack on the United States and Israel after the vote. Waving the newly received summons over his head, he vowed the group would fight in United States courts to uphold its interpretation of the 1947 Headquarters Agreement.

been limited, diplomats said, to small-scale aid for groups of ethnic Hazaras operating in Afghanistan's mountainous central region, the Hazarajat.

Shite resistance groups have not played a major role in the fighting, but the Sunni-dominated guerrilla alliance, which represents the bulk of the rebel forces, has reserved two seats for them in the 28-seat interim government it has vowed to install in Afghanistan.

Iran keeps a tighter rein on both Afghan refugees and guerrilla fighters on its territory than does Pakistan, according to Afghans who have lived in both countries. In marked contrast with the virtual freedom enjoyed by the estimated three million Afghan refugees in Pakistan, the estimated one million or more refugees in Iran are kept virtually penned up in camps near the Afghan border.

In any case, the resistance's two major financial backers, the United States and Saudi Arabia, would be unlikely to support Afghan guerrillas based in Iran.

An Afghan Rebel Shift To Iran Is Discounted

By Jonathan C. Randal

Washington Post Service

PESHAWAR, Pakistan — As United Nations-sponsored negotiations on the Afghan conflict reach the possibility that Pakistan might shut down the bases here occupied by anti-communist Afghan guerrillas, one guerrilla leader recently visited Iran and another threatened to move operations there.

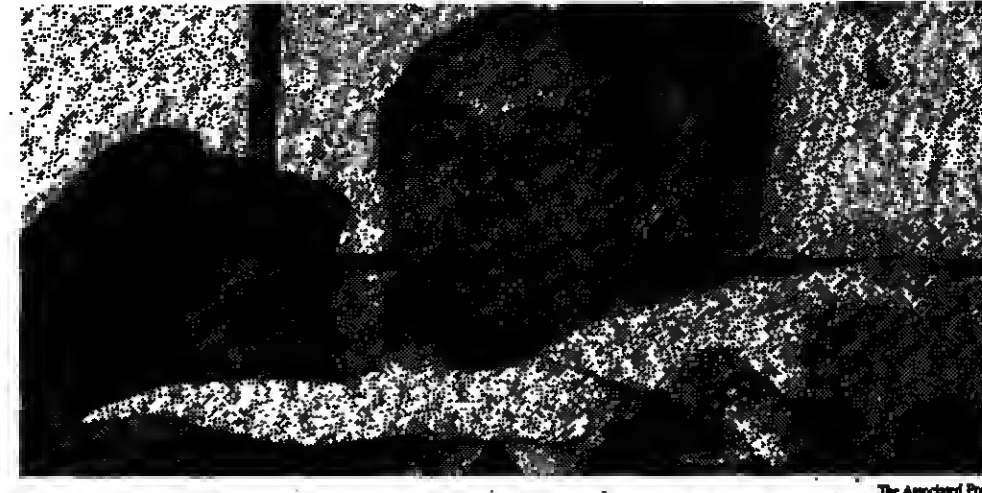
The guerrilla leaders apparently meant to signal defiant determination to continue fighting the Soviet-backed Afghan government from Iran, in case an eventual UN accord for the pullout of Soviet troops closes their sanctuaries and supply sources in Pakistan.

But Pakistani officials, Western diplomats and some Afghan leaders interviewed in Pakistan discounted any efforts to transfer the base of the Afghan resistance to Iran.

They said Iran shows no discernible desire to grant the Afghan mujahidin, or "holy warriors," major facilities. Also, they said, present policies and centuries-old rivalries between Shite Moslem Iran and predominantly Sunni Moslem Afghanistan militate against such a course.

Diplomats noted that Iran has refrained from major involvement in the Afghan war, reflecting the top priority Tehran accords to its conflict with Iraq. Tehran is on good terms with so few countries, diplomats argued, that it would not easily compromise its relations with Pakistan by authorizing operations inside Afghanistan that would circumvent Pakistan's agreement to an accord with the Afghan government and its Soviet ally.

Iranian support for anti-Soviet operations inside Afghanistan has



Students gave President Francois Mitterrand a white scarf at a Paris show on Wednesday to remind him that he said in June that he would be "campaigning when you see me with my hat and scarf."

Chirac Rejects Mitterrand's Charges

International Herald Tribune

PARIS — Prime Minister Jacques Chirac struck back Wednesday night at accusations by President Francois Mitterrand that France risks social upheaval if a conservative wins the presidential elections.

"I would not say that those are the kind of words you should use in a democracy," Mr. Chirac said on television in reply to Mr. Mitterrand's announcement Tuesday that he will be the Socialist candidate.

Mr. Chirac said he was shocked by Mr. Mitterrand's "aggressive" stance.

"Are we in the midst of a civil war as he seems to be saying?" he asked.

The other main candidate of the right, Raymond Barre, a former prime minister, said France is in a strange situation, with its chief of state and its head of government fighting for power.

In the meantime, he asked, "who is looking after the state?"

Mr. Mitterrand said that if he is re-elected, he will designate a prime minister within 24 hours and dissolve parliament if it refuses to go along with his selection.

Mr. Chirac said the president represents an out-of-date party that had hampered France's progress by placing its own supporters in key positions in government and industry. This was something, he said, that his party had not done.

"We speak for the people of all France, not just for the right or the left," he said.

Responding to allegations by the far-right candidate, Jean-Marie Le Pen of the National Front, that Mr. Chirac and Mr. Mitterrand have essentially pursued the same policies for the past two years, Mr. Chirac stated, "I have nothing in common with Mr. Mitterrand. What I have done has been very different from the Socialist options."

The first round of the election will be April 24 with a runoff between the two top candidates May 6.

U.S. and Egypt Move Closer on Arms

Reuters

WASHINGTON — The United States and Egypt have agreed on closer cooperation in arms development, raising Cairo to the same level of military partnership with Washington as Israel and NATO allies, Pentagon officials said on Wednesday.

The officials said Defense Secretary Frank C. Carlucci and Egyptian counterpart, Abdel-Halim Abu Ghazala, would sign a memorandum of understanding on the agreement at the Pentagon.

Egypt, which depended for years on the Soviet Union for its military equipment, has become one of the closest U.S. allies in the Middle East and one of the biggest recipients of U.S. military aid, Israel and the United States signed a similar 10-year memorandum of understanding at the Pentagon in December.

On another major issue, the Constitution Assembly voted in favor of a five-year term for all future Brazilian presidents.

The length of Mr. Sarney's mandate will be decided in a separate vote.

Mr. Sarney has made the mandate issue the dominant question in Brazilian politics. He wants to govern until 1990, while his political opponents and most of the public favor elections this year.

The armed forces have backed Mr. Sarney, warning that elections in November could threaten the country's transition to democracy. Brazil has not had a direct election for the presidency since 1960.

(NYT, Reuters)

Sarney Wins a Constitutional Vote

Compiled by Our Staff From Dispatches

RIO DE JANEIRO — A Constitutional Assembly in Brazil has voted to favor of maintaining the country's presidential system of government, apparently bending to pressure from President Jose Sarney and the armed forces.

The 344-to-212 vote on Tuesday was a major boost for Mr. Sarney, a conservative, and one of the most important political decisions in Brazil since the end of the 1964-85 period of military rule.

Until recently, public-opinion surveys indicated that a majority of the assembly's members favored introduction of a parliamentary system, under which a prime minister chosen by the National Congress, the legislature, would exercise much of the authority now wielded by the president.

The advocates of a parliamentary system had gained converts because of Mr. Sarney's inability to end the economic crisis and his acrimonious verbal clashes with the legislature.

However, in recent weeks, Mr. Sarney and the armed forces, as well as the Socialist opposition leader, Leonel Brizola, had campaigned vigorously against a parliamentary system, arguing that it would contribute to political instability and run counter to popular will.

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(NYT, Reuters)

WORLD BRIEFS

Israeli Planes Raid Lebanon 5 Times

SIDON, Lebanon (Reuters) — Israeli jets raided targets in southern Lebanon five times on Wednesday, killing at least two persons and wounding 15, security sources said.

They said four planes fired at least 25 rockets and dropped time bombs over the hilltop villages of Abra, Branyeh, Shazball and Majdayoun near Sidon, 24 miles (40 kilometers) south of Beirut. The attack was the third since March 12 and the fourth on Lebanese territory this year.

The sources said the five consecutive air strikes within an hour were aimed at bases of the Marxist Democratic Front for the Liberation of Palestine and the Fatah Revolutionary Council. The planes also blasted positions of the Sunni Moslem fundamentalist Twelved movement as well as the Sunni Popular Liberation Army, which controls security in Sidon.

Ford and GM Lose Fight on Hyundai

OTTAWA (Combined Dispatches) — The Canadian Import Tribunal on Wednesday unanimously rejected a complaint by the Ford Motor Co. and General Motors Corp. that Hyundai Motor Co. of South Korea was injuring domestic companies by "dumping" its cars at low prices.

The three-member tribunal panel found, after a four-week hearing that Hyundai had not injured the Canadian operations of the two U.S. automakers and decided that preliminary duties imposed earlier this year on Hyundai's exports to Canada will be refunded. The decision may have appealed.

North American automobile industry sources had hoped that if successful, the complaint might lead to similar action against Hyundai in the United States and help the fight against Japanese imports. (Reuters, AFP)

113 Die as Fire Sweeps Burma Town

RANGOON, Burma (Combined Dispatches) — A fire devastated the remote northern Burma hill town of Lashio, killing 113 people and making more than 20,000 homeless as it swept through a jumble of wooden houses, Burmese officials said Wednesday.

They said it was the worst fire accident in Burmese history. Official sources said strong winds and possibly gasoline stored for the city's black market helped fuel the fire. Damages were estimated at about \$10 million.

There were no immediate independent reports from the town, and a word of the fire came from the government-controlled national radio. Lashio, 450 miles (730 kilometers) northeast of Rangoon, is the largest city and business center in the northern Shan states and the seat of the northeast military command. It is a center of black market trade and has a racially mixed population of Burmese, Chinese and members of the Shan minority. (AP, Reuters)

Malaysia Justifies Its Security Arrests

KUALA LUMPUR, Malaysia (UPI) — A Malaysian government report said that officials were justified in imposing a nationwide security crackdown in October and using a law allowing detention without trial.

Deputy Home Minister Megat Juid Megat Ayob told Parliament Tuesday that 119 people were arrested during the clampdown. He said that 49 of them, including the opposition leader Lim Kit Siang, were ordered interred for an initial but renewable two-year period.

The official document blamed an array of politicians, covert Marxist-Moslem "deviations," church workers, social reformists and the press for threatening Malaysia's security and stability by deliberately fomenting racial antagonism between politically dominant indigenous Moslem Malays and the large ethnic Chinese community. From Oct. 27 until Nov. 14, 106 people were arrested and detained under the Internal Security Act, which allows detention without trial. Four newspapers were closed and all political rallies banned, the document said.

For the Record

Jean-Marie Le Pen, the rightist French politician, won 100,000 francs (\$17,400) in a libel suit on Wednesday against Le Canard Enchaîné, a satirical weekly that published in June a photograph of Mr. Le Pen in the rear, with his trousers down. The court ruled that the newspaper had violated the privacy of the leader of the National Front party. (AFP)

An Australian missionary accused of helping the rightist Mozambique rebels was sentenced to 10 and a half years in prison in Mozambique on Wednesday. Ian Grey, 26, a member of a Pentecostal sect based in Malawi, was convicted of rebellion, inciting rebellion, collaborating with an illegal organization and entering Mozambique illegally. An appeal for clemency has been made. (Reuters)

TRAVEL UPDATE

Britain to Change Air Control System

LONDON (Reuters) — The Civil Aviation Authority announced a £2 million (\$38 million) plan Wednesday to make Britain's overcrowded skies safer.

The announcement followed many reports of near-collisions that were leaked to the news media in the past year by controllers who said that the agency was covering up an inefficient and undermanned system.

Under the new system, some control work now done at Heathrow and Gatwick airports would be switched to a control center west of London enabling controllers to handle more traffic in the area.

Strike on Channel Ferries Worsens

CALAIS, France (AFP) — A week-long strike by French seamen of the British-French Sealink ferry line hardened Wednesday as their officers joined it in Calais and Dunkirk.

As an estimated 850 trucks backed up on both sides of the Channel-facing waits of up to 48 hours, the striking seamen voted to hold demonstrations in Paris on Thursday. Meanwhile, negotiations aimed at ending a seven-week strike disrupting ferry traffic in the English port of Dover were due to resume later Wednesday. Hovercraft service to Calais and Boulogne was normal.

Hungry travelers using Heathrow Airport are confronted by gastronomic horrors, including fish pie smelting of compost and chocolate cake reminiscent of sawdust, food experts said Wednesday. Egon Ronay, the restaurant critic who conducted a survey of eating establishments at the airport, said the food some of them offered was "inedible rubbish" fit only for the trash can.

Florence has cut noise and pollution in its narrow streets by half in only a month through its ambitious project of banning most traffic from the city center, officials said Wednesday. (Reuters)

Paris and Seville will be served by four weekly flights starting next week. Spanish officials said Wednesday. The airline Iberia has scheduled direct flights each Monday, Wednesday and Friday, while Air France will cover the route on Saturdays. (UPI)

Smoking will be banned on Northwest Airlines U.S. domestic flights starting next month as a "response to our customers' and employees' requests for an improved flight environment," company officials said Wednesday. The airline also will ban smoking on flights to Canada, Mexico, Jamaica and the Cayman Islands. It is scheduled to begin April 23, the day the U.S. law banning smoking on all domestic flights of two hours or less takes effect. The Northwest ban will not be enforced on trans-Atlantic, trans-Pacific and Hawaii flights. (UPI)



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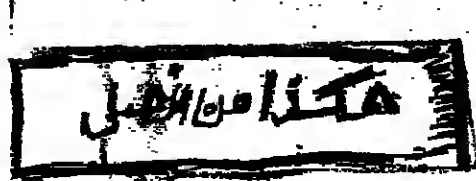
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Offstage, Democrats Scrap for Votes of Elite Politician-Delegates

By E.J. Dionne Jr.
New York Times Service

WASHINGTON — In the battle for the Democratic presidential nomination, there is no group comparable to the superdelegates, the 646 governors and members of Congress and the Democratic National Committee who will automatically attend this year's nominating convention. And the battle for their votes is now in full fury.

On Wednesday, one of the most influential of these elite delegates, Senator Bill Bradley of New Jersey, endorsed Governor Michael S. Dukakis of Massachusetts.

The Bradley announcement carries a double message. For many Democrats who wanted him to run for president, Mr. Bradley firmly closed that door. Also, the Dukakis camp sees the endorsement as a sign that the party's leading figures are ready to unite behind him as the clear leader and probable nominee.

That is what happened in Connecticut on Tuesday, when the state's two leading Democrats, Senator Christopher J. Dodd and Governor William A. O'Neill, endorsed Mr. Dukakis, as did Representative Barbara B. Kennelly.

Mr. Dodd was frank in explaining that his endorsement had been

designed in part to cut short the battle for the Democratic nomination. "People like myself and others would like to see this thing put together sooner rather than later," he said.

But the other presidential campaigns are struggling to stop the trend toward Mr. Dukakis, and some of the superdelegates say they should hold off on endorsing now to maximize their collective influence later.

The creation of the superdelegates after the 1980 election was one in a series of moves by the Democrats to moderate the impact of party reforms of the 1970s. The

reforms had the effect of diluting the power of elected officials to influence the party's choice of a nominee. This dilution, in the eyes of many politicians, helped lead the Democrats to defeat.

By automatically making top party leaders delegates, those drawing up the party's rules sought to give active politicians more power in choosing the nominee.

In the 1984 campaign the superdelegates had a limited impact because so many of them endorsed former Vice President Walter F. Mondale early in the process. This time, many in the party, including Paul G. Kirk Jr., the national chair-

man, say they believe the elite group should hold out until after the primaries and then use their influence to unite the party behind a single candidate.

In numbers, the group is larger than the big delegations of New York, Texas and Florida combined.

The superdelegates could be especially important this year if, as now seems likely, no candidate emerges from the primaries with the 2,082 delegates needed for nomination.

The Dukakis campaign offers a plausible alternative scenario. It would have Mr. Dukakis emerge

from the Michigan caucuses on Saturday as a winner. This would eliminate Representative Richard A. Gephardt of Missouri, who has staked his campaign on a strong showing there. Then Mr. Dukakis would win the Wisconsin primary April 5, eliminating Senator Paul Simon of Illinois.

Finally, the governor would win the New York contest on April 19 and cripple Senator Albert Gore Jr. of Tennessee. After that, only Mr. Dukakis and the Reverend Jesse L. Jackson would be left in a head-to-head fight with Mr. Jackson, the scenario has it, Mr. Dukakis would be the likely winner.

In the eyes of many politicians, including Mr. Dodd, this is a highly plausible outlook, and the task for the politicians is to start uniting the party behind Mr. Dukakis.

"We'll have a tough enough time in November as it is," Mr. Dodd said in an interview, "and we don't have to add to our difficulties" with an untidy convention.

The danger of this argument, said one influential Democrat who asked not to be identified, is that it looks to some Jackson supporters as a way of reducing Mr. Jackson's influence at the convention.

"The real danger is if it looks like politicians' calisthenics to stonewall

Jesse and deny him his day in the sun at the convention," said this Democrat.

One member of the Democratic National Committee who is being courted by all sides said that the Dukakis campaign had changed its message since Mr. Dukakis lost the Illinois primary. Mr. Dukakis is no longer the candidate of "inevitability" but the candidate of order.

The Dukakis argument has clearly won some converts, but most of the elite delegates, especially those who are members of Congress, are still inclined to wait to see if Mr. Dukakis can deliver the victories his supporters foresee.

Dukakis: Stolid Self-Reliance

An Immigrant Son Pursues Goals With Cool Doggedness

By Robert L. Turner

BOSTON — Critics have called Michael S. Dukakis too humorless, vague, cold and arrogant to be elected president of the United States. Some even say he's too short.

There is some basis in truth for each observation, but it is also true that Mr. Dukakis, 54, who is in his third term as governor of Massachusetts, has often made fools of opponents who underestimated him.

Now, his presidential campaign, which he called "a very, very long shot" when he started out just a year ago, has changed to the front of the Democratic pack.

It turns out that the nomination is to be won by a brilliant or impassioned speech at the national convention in July, then Mr. Dukakis will probably not be the nominee. But if the prize of facing, presumably, Vice President George Bush in the November election ends up going to the candidate who has doggedly pursued and won the most delegates when the primary season ends on June 7, then Mr. Dukakis will very likely be the winner.

At the age of 17, he ran the Boston Marathon, finishing 57th in a field of 191, and throughout his political career, including his presidential campaign, he has valued the steady pace of the long-distance runner over a strategy of dashes and leaps. Most of his political and policy achievements have been the result of clearly conceived goals pursued with dogged persistence.

As presidential candidates go, he is short, at 5 feet 8 inches (1.74 meters), and has been known to stand on a three-inch (eight-centimeter) carpeted box when debating opponents. But he also has a strong television presence, which he began honing 17 years ago as moderator of a debate program on public television.

As for humor, Mr. Dukakis is virtually alone in denying the deficiency. His idea of campaign jocularities is accusing one of his fair-haired rivals, Representative Richard A. Gephardt, of "eyebrow envy."

Vagueness is a charge that has stuck with Mr. Dukakis most of the past year, partly because of his refusal to give details of a proposal to cut the federal budget deficit, other than stricter enforcement of existing tax laws. However, elements of a national vision, including integrity and a promise of economic growth and opportunity, have clearly been communicated.

Coldness and arrogance are also attributes that have been ascribed to Mr. Dukakis over the years, the result of what he seemed to feel was his own intellectual self-

sufficiency. He has often been labeled a "technocrat." Yet even his detractors acknowledge his leadership ability and his quick grasp of issues.

Many of these qualities recall President Jimmy Carter, and in fact the similarities are strong. A major difference is that Mr. Dukakis was knocked off of his self-sufficiency by a surprise defeat in 1978 for his party's renomination to the governorship, after his first term. Since then, he has taken a much more coalition-oriented approach to governing and campaigning.

This coalition aspect of his presidential campaign is true to the man, at least as he has governed in his second and third terms. But it is a far cry from the way he started out, and from the personality that some friends feel is still at his core.

Born into a two-language family, his first words, according to his mother, Euterpe, were *monas mou*, by myself, in Greek.

This strong-willed, independent, self-contained quality has been apparent in Mr. Dukakis ever since, for good and for ill. As a teen-ager, he was a standout student at Brookline High School, just outside of Boston — the leading scholar, president of the Student Council and captain of the tennis team his senior year. Yet he spurned the informal social clubs that were a central part of life for most of his friends. He said they were elitist and he didn't need them.

Robert Wool, president of that 1951 class and now a writer in New York, said, "It was very unusual. He had some very strong sense of who he was, what he was doing, what he had to do and accomplish. He wasn't driven the same way we were. We were peer-driven. Acceptance and popularity were so important to us — I think that's fairly normal at that age. But he listened to a different inner drummer."

This self-assurance, combined with dogged determination and a keen mind, carried him through Swarthmore College with highest honors, two years in the military (including service in Korea after the armistice) and Harvard Law School, where he graduated in 1960.

He found politics early. While still in law school, Mr. Dukakis ran for a seat on Brookline's redevelopment authority, losing narrowly, then won a seat at a town meeting in 1959. He led a slate that took over the Democratic Town Committee in Brookline in 1960. Two years later he won a seat in the state legislature. And in 1974 he won the governorship.

On arrival, he found an economic crisis that was



Governor Michael S. Dukakis, center, accepts endorsements Wednesday in Hartford from Connecticut's two leading Democrats, Governor William A. O'Neill, left, and Senator Christopher J. Dodd.

nothing short of desperate. It forced him to break a campaign pledge against raising taxes. His delay in confronting the deficit made matters worse, and this was compounded later when he allowed his relations with legislative leaders to deteriorate.

Mr. Dukakis acted as if he could govern almost alone, but the response he got was a stunning dismissal from office by the voters in the 1978 primary. He was routed by Edward King, a little-known, conservative, business-oriented Democrat.

His wife, Kitty, said it was "like a public death." Mr. Dukakis spent most of his four years out of

office on the faculty of the Kennedy School of Government at Harvard University, where he learned coalition politics. He mounted a coalition campaign that swept him back into office in 1982.

Among the themes Mr. Dukakis has developed in his national campaign is that of his immigrant roots. His parents were both Greek families who emigrated to America while the children were in their teens. His father became a doctor and his mother a teacher. If elected, Mr. Dukakis would be the first president since Andrew Jackson whose parents were born outside of the United States.

Dukakis Trade Switch Criticized by Gephardt

By Robin Toner
New York Times Service

DETROIT — "There's no change," Governor Michael S. Dukakis protested as he pledged his support for tough new trade legislation.

Representative Richard A. Gephardt begged to differ. "He's been adamant that we don't need new legislation," said Mr. Gephardt, who has been assailed by Mr. Dukakis as a protectionist from one end of the country to another. "I don't think he's going to fool people by coming in here on the 11th hour, five days before the Michigan primary, where trade is a paramount issue, and saying, 'Me too.'"

And so it was as Mr. Dukakis, the governor of Massachusetts, came forth with a reconstructed trade message this week. After months of asserting that the president has all the authority he needs to combat unfair trade practices, Mr. Dukakis began the final phase of his Michigan campaign by endorsing new legislation that calls for tougher sanctions on countries that impose unfair trade restrictions.

The shift left Mr. Gephardt, a principal rival in Michigan's Democratic caucuses on Saturday, outraged. Gephardt aides asserted that they had paid the political price for their candidate's tough trade posture in less friendly territory, like much of the South; they were not about to cede the issue to Mr. Dukakis now.

"We got whipped on that issue all across the South," said Donna Brazile, deputy campaign manager for Mr. Gephardt.

Mr. Dukakis' latest trade initiative began last Saturday, when he signaled his support for an amendment to the trade package now before Congress. The amendment was formulated by Senators Donald W. Riegle Jr., a Michigan Democrat, and John C. Danforth, Missouri Republican.

And two days after Mr. Dukakis voiced support for the amendment, he was endorsed by Mr. Riegle. The senator said his decision was not based on Mr. Dukakis' support for his legislation, although it was mentioned prominently in Mr. Riegle's statement of endorsement.

Mr. Dukakis and his staff asserted that there was no substantive change in his trade policy, and he produced a transcript of a debate in August to show he had earlier expressed support for the Riegle-Danforth plan.

At that debate, after assailing Mr. Gephardt's trade proposal as articulated at the University of Illinois last week, was different. "We don't need more laws to have an effective trade policy for America," he argued then.

Mr. Dukakis' philosophy on trade had contrasted sharply with that of Mr. Gephardt, who for months was his principal rival in the Democratic race. Mr. Gephardt has built his campaign around legislation he has sponsored that in most cases would require the president to retaliate against chiefly Asian trade partners who had trade surpluses with the United States. Mr. Dukakis had assailed that legislation as unworkable, protectionist and an invitation to a trade war.

Expatriate Democrats Pick Uncommitted Slate

The Associated Press

LONDON — Members of the U.S. Democratic Party living overseas have selected a largely uncommitted delegation to attend the party's national presidential nominating convention this summer.

Governor Michael S. Dukakis of Massachusetts picked up a fraction of a convention vote. He also won a nonbinding ballot.

The primary election on Tuesday gave Democrats worldwide the

chance to vote by mail or in person for convention delegates.

In the balloting, mostly by mail, 10 delegates were chosen. Each of them will cast one-half vote at the convention. Nine of those delegates have declared themselves uncommitted, while one is pledged to Mr. Dukakis.

Under party rules, expatriate Americans are entitled to nine nominating votes at the national convention. Another four delegates, each of whom will cast one-half vote, will be picked later at a

meeting in Paris, and under party rules they initially would be uncommitted.

Also, eight overseas members of the Democratic National Committee each have a quarter of a vote at the convention.

"Of course we have an impact, particularly if we're uncommitted," Sally McNulty, the chairwoman of the Democratic Party Committee Abroad, said Tuesday as the ballots were counted.

Of the 2,385 ballots cast in the nonbinding part of the primary, Mr. Dukakis received 990 votes, or 41.5 percent and the Reverend Jesse L. Jackson 347 votes, or 14.5 percent, according to Democrats Abroad, the organizers of the balloting.

Andrew Sunberg, a businessman living in Geneva who campaigns for expatriate benefits, won 304 votes, or 12.7 percent. Senator Paul Simon of Illinois received 248 votes, or 10.4 percent, and Governor Mario M. Cuomo of New York, who is not a candidate, 171 votes, or 7.2 percent.

ATOM: U.S. Calls a Halt to Taiwan Plutonium Project

(Continued from Page 1)

extract plutonium from the spent fuel of Taiwan's largest civilian research reactor was an attempt by Taiwan to keep open a nuclear option, or a final decision by the political leadership to build a bomb.

But administration officials were alarmed by the development because it appeared to be a reprise of an incident in the mid-1970s when Taiwan built a laboratory to extract plutonium.

U.S. officials insisted at the time that the laboratory be dismantled, and Taiwan agreed to a ban on research that could be used for weapons development.

Taiwan's private commitment to the United States thus went beyond the requirements of the Nuclear Nonproliferation Treaty, which obligates signing nations to submit all of their nuclear material to international inspection.

The disappearance of Colonel Chang, a deputy director at Taiwan's Nuclear Research Energy Laboratories, has created a furor in Taiwan, and the local press has been filled with contradictory reports about suspicious nuclear activities that he may have disclosed to the United States.

In interviews published in Taiwan's press, senior Taiwanese officials denied that their country possesses or has any intention of building atomic weapons.

Asked specifically whether Taiwan had violated an understanding with the United States by beginning the installation, a Washington-based spokesman for Taiwan insisted that the country had not deviated from its "national policy" of using nuclear energy solely for peaceful purposes.

In a private letter about the closing of the reactor that was received Monday by the International Atomic Energy Agency, Taiwan made no mention of the U.S. concerns. It said only that the reactor was being shut down for "economic" reasons, according to an official at the agency.

Preventing Taiwan from getting the atomic bomb has been an important element both in U.S. policy to stem the spread of nuclear weapons and in its approach in the region. The People's Republic of China has said repeatedly that it would invade Taiwan if Taiwan deployed nuclear weapons.

U.S. officials have closely moni-

toed Taiwan's nuclear industry and have taken diplomatic steps to ensure that the large-scale nuclear energy program was not misused.

Taiwan has an active program for producing nuclear energy, and many nuclear scientists who carry out legitimate research.

The administration has also insisted in recent years that Taiwan send its nuclear fuel from the research reactor to the United States to assure that none of the plutonium that normally accumulates in this type of reactor could be diverted to weapons.

The research reactor in Taiwan was a special concern because it is easier to extract the plutonium from it than with other designs used for research or power. A Canadian-supplied reactor of similar design was used by India to get plutonium for its first atomic weapon.

Officials said a Department of Energy program to bring the used fuel from Taiwan to the United States is still in operation.

According to nuclear experts, two key elements needed for an atomic weapon are plutonium and the specially designed explosives used to detonate an atomic chain reaction.

U.S. analysts were therefore convinced that construction of the installation to separate plutonium from the used fuel was a disturbing development. That view was confirmed when U.S. officials visited the site after receiving intelligence about it.

TALKS: Hope in Sapoa

(Continued from Page 1)

financing of subversion." Argentina and Colombia also have expressed concerns about the troop deployment.

Mr. Fitzwater expressed cautious optimism about the talks. "They do seem to be making progress," he said, adding that it was "somewhat surprising" in view of previous actions by the Sandinistas.

The Sandinist proposal, outlined Tuesday by Victor Hugo Tinoco, the deputy foreign minister, calls for a truce of up to 90 days during which the contras would lay down their weapons and join a "national reconciliation dialogue."

For every rebel who stops fighting, the government would release a political prisoner. The government is holding an estimated 3,300 political prisoners.

Mr. Tinoco said that rebels who put down their arms would be free from prosecution without applying for amnesty and could take part in Nicaraguan political life.

The rebel proposal calls for a 45-day cease-fire. It would provide for zones in which the estimated 10,000 contra guerrillas could gather while a permanent truce was negotiated.

The proposal calls for total amnesty, return of political exiles, full press freedoms, a suspension of the military draft during the truce and the inclusion of contra representatives in a national dialogue.

(AP, UPI)

3 Ugandans Sentenced To Death for Treason

KAMPALA, Uganda — The High Court sentenced three persons to death for treason on Wednesday and acquitted four others, including a former Ugandan commerce minister, Evaristo Nyanzi.

The defendants were among 26 persons arrested in October 1986 in connection with an alleged plot to overthrow the government.

DOONESBURY



"Do airlines really understand the needs of business travellers?"

A

"Sobole"

Business travel is, essentially, getting from A to B. Fast, on time and in comfort. Which is why frequent travellers choose KLM.

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Saint Laurent Quiet But Never Boring

By Bernadine Morris
New York Times Service

PARIS — If fashion is indeed embarking on a sober straight and narrow path for fall, Yves Saint Laurent will lead the way. The master of the classic mode, introducing his collection as usual on the last day of the week of showings, offered wearable clothes on his own terms.

Except for hats, they were not propped up with zany accessories. Except for pants and some evening clothes, skirts were short, three to

PARIS FASHION

five inches above the knee. There was an occasional flash of searing color, but most of the clothes were muted.

To call the styles classic is to do them a disservice. They were not boring. They work, like the Chanel suit worked for half a century. The collection represented Saint Laurent's best ready-to-wear in several seasons and it was notable that he achieved his success in a quiet key.

Pants, which the designer propelled into the contemporary woman's basic wardrobe 20 years ago, dominated the first part of the show, followed by short, skinny leather skirts and capes, also part of the Saint Laurent canon. Jersey tunics in mild colors, such as gray over a black skirt, and suede jackets with matching laces around the edges and outlining the seams, were other styles he has popularized in the past.

The first big innovation was suits with inserts of different shapes and colors outlined in black braid on the front. In wool, they were lively additions to the daytime scene. They were instantly dubbed Mondrian though they were more like Braque or Picasso. The blocks of color or panels were in irregular shapes, not rectangles. In combinations of wool, taffeta, velvet and

satins, they made festive evening suits. Pink, yellow and white were the colors combined in one of these styles.

For evening, there were black suits with pants or skirts, versions of the men's smoking, which Saint Laurent also popularized in the past, and black velvet dresses decorated with crystal drops taken straight from chandeliers. Other evening styles included short dresses with corset tops, best in lace and chiffon, and bouffant dresses with dipping hemlines that bared the knees in front and trailed to the floor in back, festive in black satin, velvet and tulle.

But Saint Laurent in top form was represented by floor-length full skirts topped by matching long capes and satin blouses. Colors were beige, black, gray or white. There are few designers who can make such simple styles look so dramatic.

Jacqueline de Ribes, known for her glamorous evening clothes, decided to have some fun. She tried peekaboo effects in her collection Tuesday afternoon. A velvet diamond covered most of the bodice of a black dress. It was surrounded by sheer fabric. A sequin bra twined under a black chiffon blouse.

She also liked narrow dresses with zippers spiraling around the body, showing them in flannel, jersey and velvet. For day, pale knitted dresses bloused over the torso and had snugly fitted skirts.

Patrick Kelly's collection ended the week of fashion openings Wednesday afternoon with a show that had all the fervor of a revival meeting in his native Mississippi. It began with gospel music and ended with a shower of red paper hearts and confetti, and the designer was crying as he took his bow. Not yet a member of the association that controls the showings in the tents at the Louvre, he introduced his clothes at La Cigale, a



Saint Laurent for evening: black satin dress with dipping hemline.

nightclub in Pigalle. The atmosphere recalled the early days of ready-to-wear. In the 1970s, when the shows took place all over the city and it was never clear what would happen when you found them.

This time, the clothes were short and sexy. Jersey sheaths hugged the body. Tweed suits had flouncy

pleated skirts, even those that were supposed to be takeoffs on Chanel. It looks as if the designer will do for billiard balls what he has already done for buttons and bows. He made these mundane objects fashionable by massing them in decorative patterns on his jersey shifts, using them for earrings and on boots and gloves.

Food Scarce as Panama Strike Goes On

The Associated Press
PANAMA CITY — Hungry families flocked to relief centers across Panama as food grew scarce on the third day of a general strike aimed at deposing General Manuel Antonio Noriega.

The military leader again rejected a U.S. call for him to go into exile.

Panamanians by the tens of thousands stayed off their jobs and General Noriega's opponents hailed the success of the work stoppage. They vowed that it would continue until the general left.

But General Noriega appeared unwilling to step down.

"I am a Panamanian, not a gringo," he said after meeting with a small group of union supporters. "Let the world know we are fighting the ultimate battle for dignity and against colonialism."

[The United States accused General Noriega on Wednesday of sacrificing the interests of the coun-

try's military in an effort to stay in power, Reuters reported from Washington.]

["As Panama's crisis deepens, Noriega seems to be trying to hang on at any cost, particularly at the expense of the Panama Defense Forces," a State Department spokesman said.]

An estimated 90 percent of offices and industries were shut by the strike on Tuesday. Most shops and stores were closed, public transportation was halted and many government employees did not go to work.

Combat troops patrolled the capital for the seventh day since a coup attempt against General Noriega on March 16. No incidents of demonstrations were reported.

The United States is using economic pressure against General Noriega, withholding payments for use of the Panama Canal and freezing Panamanian accounts in U.S. banks to starve the government of the dollars it uses as its currency.

The government must meet several major payrolls by the end of the month, including that of the 15,000-strong National Defense Forces, which the general heads.

Between the cash crunch and the strike, the latest in a series of walk-outs that began last summer to protest General Noriega's alleged corruption, food has grown scarce.

Eric Arturo Delvalle, who was removed as president Feb. 26 after trying to dismiss General Noriega, appealed for international food aid Tuesday.

Relief officials said that more and more hungry families, some of whom have not eaten in five or six days, were flocking to emergency centers around the country. And port workers said they had run out of food for their union members, but voted to stay on strike.

Last week, General Noriega turned down an offer of exile in Spain.

On Monday, acting President

Manuel Bois Palma passed on an offer by General Noriega to resign before next year's presidential elections if the opposition would agree to a vaguely defined "national dialogue." The opposition Civic Crusade spurned the proposal as "another maneuver by Noriega to gain time."

■ **Libyan Offer Reported**
In Washington, a Panamanian air force pilot who ferried Cuban supplies into the country said on Tuesday he waited in vain for one flight for a \$50 million cash shipment from Libya to take to General Noriega, United Press International reported.

Major Augusto Villalaz said he waited in Havana on March 14 for the cash promised by the Cuban Embassy in Tripoli.

"In the afternoon, we had an order from the Ministry of Interior that it had no news of the money and to fly on to Panama," Major Villalaz said.

ARMENIA: Moscow Ignores Nationalists' Demands

(Continued from Page 1)

professors, appeared on television at half-hour intervals reading short speeches telling the people they should be proud of what they had accomplished and not resume protests, according to a Westerner living in Yerevan.

A Yerevan radio broadcast reported that the Communist Party leadership in Armenia had warned against the Saturday protest meeting, saying it could lead to "unpredictable consequences."

The resolution by the presidium of the Supreme Soviet, the executive committee of the nominal parliament, did not specifically address the merits of the Armenians' demand that the Nagorno-Karabakh Autonomous Region, a predominantly Armenian area in Azerbaijan, be joined to the Armenian Republic.

But the resolution strongly condemned the effort by "self-styled

organizations" to pressure the government for territorial changes, calling such tactics "intolerable."

The protests in February that drew huge throngs of Armenians into the streets of Yerevan and Stepanakert, the capital of Nagorno-Karabakh, were peaceful, but they were followed by outbreaks of ethnic violence in Azerbaijan.

Protest organizers called a halt to the demonstrations until March 26 after Mr. Gorbachev said he was taking the territorial issue under advisement.

The Wednesday decree was overshadowed by an article Monday in the party newspaper Pravda, attacking Armenian campaigners and their cause as "anti-socialist."

On Tuesday, Yuri Arakelyan, an Armenian correspondent whose name was published by Pravda as one of the authors, disavowed the article in a telegram to his editor, saying it had shamed him before his people. It was remarkable act of defiance for a Communist Party member in a visible position, and a sign of the emotional hold of the Armenian cause.

Mr. Popoyan said Wednesday that Mr. Arakelyan had suffered a

heart attack after writing his telegram and was in serious condition in a Yerevan hospital.

The Armenian campaign for unification with Nagorno-Karabakh began as a peaceful petition drive that collected 100,000 signatures out of a population of 140,000 in the disputed territory.

Both the governing council of the Nagorno-Karabakh region and the regional Communist Party Central Committee voted for reunification with Armenia.

Armenians in Yerevan and Nagorno-Karabakh staged huge but peaceful protests and stopped work in many Armenian factories in support of the demands.

But after a clash in which two Azerbaijanis died, Azerbaijanis staged a rampage of murder, rape and destruction against the Armenian minority in the city of Sumgait.

The resolution Wednesday instructed the federal prosecutor and interior ministry to "take every necessary measure to insure public order and protect the lawful interests of the population in the territory of the Azerbaijan and Armenian Soviet Socialist Republics."

SUMMIT: Reagan Trip Set

(Continued from Page 1)

completed before Mr. Reagan leaves office.

The White House spokesman Martin Fitzwater, said Afghanistan and Central America, as well as the prospective strategic arms treaty were among the topics discussed by the foreign ministers.

Entering talks with Mr. Shultz on Wednesday morning, Mr. Shevardnadze was asked if the Soviet would withdraw their troops from Afghanistan starting May 15, as previously announced by Mr. Gorbachev, even if negotiators in Geneva fail to reach an agreement.

"We shall see," he replied in Russian. "It is better to have the document signed in Geneva. That is the better possibility."

Senate Rejects a Change

The Senate Foreign Relations Committee defeated the first attempt by a conservative Republican senator on Wednesday to change the U.S.-Soviet treaty banning medium-range nuclear missiles. The Associated Press reported from Washington.

The committee voted, 12 to 3 against an amendment that would allow non-nuclear U.S. cruise missiles to be deployed in Europe. The amendment was introduced by Senator Jesse Helms, Republican of North Carolina, the chief opponent of the treaty.

The treaty signed Dec. 8 by Mr. Reagan and Mr. Gorbachev bans missiles of ranges from 300 to 3,000 miles (500 to 5,000 kilometers). The prohibition includes cruise missiles, both nuclear-tipped and those armed with non-nuclear weapons.

Saharan Locusts May Swarm South

Reuters

NAIROBI — Huge swarms of locusts are sweeping North and West Africa in the worst plague of the pest for 30 years and they now threaten to spread south of the Sahara.

The invasion is "dangerous and could become alarming," a spokesman for the UN Food and Agriculture Organization said in Rabat. Swarms 20 miles (32 kilometers)

long and up to three miles wide have been seen in northern Mauritania, the Western Sahara and southern Algeria, the agency said. Big swarms also threaten Morocco, Tunisia and Libya.

Experts at a meeting on locust control in the Malian capital, Bamako, last week said the swarms could move south, posing a new menace to crops in sub-Saharan Africa.

GULF: Iran Displays the Horror of Chemical Attack

(Continued from Page 1)

forced to take such measures," said the official. Kamil Khorazi, adding that it depended on the will of the United Nations Security Council "in taking some measures against the use of chemical weapons by Iraq."

Mr. Khorazi said that if the "deadly silence" continued in response to Iraq's protests to international organizations, "then maybe we will be forced to do that, to defend ourselves."

Mr. Khorazi would not comment directly on reports from the Netherlands that Justice Ministry officials had seized a ship bound from the United States to Iran carrying 15,000 pounds of rocket fuel. The request to seize the ship was made by U.S. officials.

Artillery duels were still raging to the north and south of Lake Dar Bandi Khan when Western reporters traveled to Halabja under Iranian escort this week. Iraqi warplanes roared overhead, and random artillery shells gouged small craters into the adjoining fields as reporters toured Halabja, Dojaila and the tiny hamlet of Anap, where another 80 bodies of civilian gas victims had been heaped together on the roadside.

The bodies of dozens of dead Iraqi soldiers were strewn along the five miles of roadway between Halabja and Dojaila, where the heaviest fighting occurred last week.

Officials of the Iranian Revolutionary Guards who were in charge of the offensive said they captured several hundred Iraqi tanks, artillery pieces and thousands of support vehicles, in addition to prisoners.

Burned or bombed on Iraqi tanks and trucks attested to the battle. Thousands of spent artillery shells cluttered roadside emplacements and boxes of spent ammunition carrying markings from the

Jordanian Army — one of Iraq's suppliers — were stacked in supply areas.

But the starkest and most gruesome scenes of this distant battle set in a lush green valley guarded by flanking snow-capped peaks are the quiet faces of the noncombatant victims: four small girls in traditional local dress lying like discarded dolls by a trickling stream in Anap, two women cuddled in death by a flower garden, an old man in a turban clutching a baby on a doorstep.

Many of the Kurdish inhabitants of Halabja fled to nearby mountains, according to the handful of townspeople who have returned. But many others died in the subsequent and massive aerial bombing by Iraqi warplanes, they said.

Iran has estimated that 4,000 civilians died in Halabja either from gas poisoning or from the intensive bombing. This figure could not be independently verified.

A year ago, the population of Halabja was reported at 70,000, but thousands of residents had fled after an uprising against the Iraqi military authorities last May, reducing the population by roughly half.

In Tehran, Iranian medical specialists treating Halabja survivors said the gas cloud contained a mixture of mustard and cyanide gases. Hundreds of gas victims were evacuated to Tehran hospitals, where Western journalists found them suffering from chemical burns on their skin, eyes and lung tissue. Some of the victims included Iranian Revolutionary Guards, who had just entered Halabja to accept the surrender of the Iraqi garrison whose supply lines had been cut off during the fierce four-day battle that began March 15.

Hamid Sohrabpour, an internist at Labbfi Nejah Hospital in North Tehran, said he had admitted 152

gas victims from Halabja, nine of whom had subsequently died.

In general, Iraqi officials no longer deny using chemical weapons and argue privately that they are used to blunt Iranian assaults.

Nevertheless, any independent verification that Iran was responsible for the Halabja attack would have to examine the question of why Iraqi forces employed such weapons on the civilian population of Halabja after the battle for the city was over.

At the time of the surrender in Halabja, the front lines of Iranian attackers had pushed well east of the city, deeper into Iraq, and Halabja was not being used by Iran as a base to support its forces.

The brutal assault on the town, if committed by Iraq, would tend to confirm other reports that Iraq has undertaken a systematic campaign to punish that part of the Kurdish population of northern Iraq that has united to assist Iran.

The surprise Iranian offensive was carried out in stages, according to Ali Shafiq, one of the Revolutionary Guard commanders.

In the first stage, Mr. Shafiq said, Kurdish guerrillas backed by Revolutionary Guards opened up with artillery. Simultaneously, Revolutionary Guards using a flotilla of small boats came up the lake and stormed ashore behind the Iraqi forces that were facing the first wave of the attack.

Israeli Homosexuality Legal

United Press International

JERUSALEM — The Israeli parliament, the Knesset, reported on Tuesday a law dating to British Mandate-era Palestine and made homosexuality legal. In adopting a package of sex and sex-crime laws, the Knesset also approved harsher sentences for rapists.

ASSESS: Iran and Iraq Battling for Political Gains

(Continued from Page 1)

servative Arab nations of the Gulf rallied to Baghdad's cause late last year.

With sometimes bewildering speed, however, that lineup has become hurred and ambiguous. Iran failed to produce its widely forecast winter offensive, in part, according to Western diplomats in Baghdad, because it was not able to persuade enough Iranians to volunteer for the war.

And Iraq, frustrated and fearful of seeing the momentum of its recent diplomatic gains slip away, has pursued tactics that have blocked Western efforts to win Soviet backing for an arms embargo against Tehran, specialists in the Gulf region say.

The Iraqi president has other

considerations, too, according to a Western diplomat in the Gulf. The loss of momentum offered the prospect of a continued stalemate, a situation that Baghdad sees as benefiting Tehran with its larger population and its need to bolster its armaments.

In late February, Iraq struck an Iranian refinery eight miles (13 kilometers) from the center of Tehran. Western diplomats in Iraq said Baghdad hoped to provoke Tehran into reopening the "war of the cities." The label refers to long-range missile and aerial offensives, which Western military experts say Baghdad is better equipped to fight.

Iran launched three missiles into Baghdad, enabling Iraq to unleash its previously unused long-range, surface-to-surface missiles. The

Iraqis say they build the missiles themselves, but Western military experts say they are Soviet-supplied Scud-B or SS-12 missiles with extended range.

"In a way the whole thing backfired," a Western diplomat said, because it enabled the Soviet Union to slip away from U.S. pressure to support an arms embargo against Tehran as a punishment for failing to accept the UN peace plan, which was presented in September.

"The Iraqis wanted to worry the international community," an Arab diplomat said. "They wanted to make sure that Iran was not going to get away with stalling."

Since Feb. 29, Iraq has launched 106 missile strikes against Tehran and other Iranian cities.

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9.00 Board Meeting

1.00 Lunch at the Marriott

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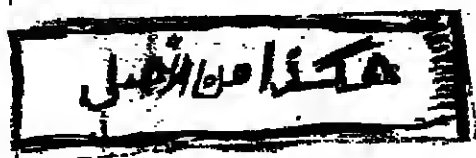
4.30 Meeting with Sales

7.00 Dinner at the Marriott

8.30 Theatre with

Week 17

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SCIENCE

IN BRIEF

Alcohol-Breast Cancer Studies Differ

DAYTONA BEACH, Florida (NYT) — A study of 7,000 women has found no association between alcohol consumption and breast cancer. The finding stands in sharp contrast to one last year that linked as little as a few drinks a week to an increased risk of breast cancer and led some experts to encourage women to curb their drinking.

"We found no increased risk of breast cancer with alcohol use," said Dr. Susan Chu of the federal Centers for Disease Control in Atlanta. She also noted that scientists have not discovered a biological mechanism by which alcohol might affect the breast tissue to produce malignancy. She said the contradictory findings of the studies on breast cancer and alcohol suggest that it is too soon to make any recommendations about drinking.

"If we make too many recommendations, the danger is that people will stop taking us seriously," she said.

"There is a major uncertainty here," said Dr. Walter Willett of the Harvard University School of Public Health. In a previous study, Dr. Willett and his colleagues questioned 89,538 nurses and found that those who drank one to two drinks a day increased their chance of developing breast cancer from about 7 percent to about 11 percent. The American Cancer Society recommends that women drink moderately if they choose to drink, and has never said that they should stop drinking entirely.

Astronomers Start Scan of Milky Way

NEW YORK (NYT) — Astronomers have begun the most detailed scan ever of the Milky Way, looking for remnants of supernova stellar explosions. The search, using the world's most powerful radio telescope, will take two years.

Astronomers from the University of California, Davis, and Columbia University will use the Very Large Array (V.L.A.) in southern New Mexico. The telescope consists of 27 large dish antennas that move on tracks over a region about 20 miles (32 kilometers) wide. Radio signals collected by the dishes are combined by computer to produce digital images of distant radio-emitting stars and other objects.

Astrophysicists are particularly interested in radio observations of the galaxy, because radio waves, unlike visible light, can travel more or less unobstructed through clouds of dust and gas. Scientists predict that the project will record the positions of hundreds of thousands of radio-emitting objects in the Milky Way's core and spiral arms.

Did Dinosaurs Care for Their Young?

BOZEMAN, Montana (WP) — An analysis of 75- to 80-million-year-old dinosaur embryos found in Montana supports the controversial view that at least some species of the ancient beasts exercised parental care. The embryos of one of the species (Maiasaura peeblesorum) had bones that had not yet developed sufficiently at the ends to enable the hatchlings to walk. The difference between these embryos and others that had well-developed bones is evidence that the parents of one species must have cared for their young, according to John R. Horner, a dinosaur specialist at the Museum of the Rockies.

The question of parental care of dinosaur young was raised after Mr. Horner found the remains of baby dinosaurs in nestlike clusters. Traditionalists have resisted the idea because it seemed to conflict with the long-held view of dinosaurs as sluggish, dull-witted brutes comparable to today's reptiles.

Mr. Horner's claims are more in keeping with the revisionist assertion of recent years that dinosaurs were very different from their cold-blooded reptilian ancestors and much more like warm-blooded birds, which are their descendants.

Bacteria Used to Remove Oil in Rock

CANBERRA, Australia (Reuters) — Cocktails of bacteria, sand and water kept in an oven in an Australian laboratory may hold the key to adding billions of barrels to world oil reserves. The mixture is used in experiments that represent a major advance in attempts to extract large quantities of oil left behind by conventional recovery techniques, Australian scientists said. The bacteria produce a detergent-like substance that breaks the tension and frees the oil from the rock.

Worldwide, only about a third of the oil known to be in wells can be recovered. The problem is that oil is not found in huge underground lakes, but is instead trapped as droplets in capillaries of rock reservoirs. Scientists have been trying for several years to overcome the problem by harnessing bacteria that occur naturally in oil wells.

Research into the so-called Microbiological Enhanced Oil Recovery is also continuing in Canada, China, Romania, the Soviet Union and the United States. The Australians believe their research is ahead of the others and they are confident their methods are commercially viable. They plan to start field tests in April at the Alton oil well in the Surat Basin in the eastern state of Queensland. Their method will cost less than one Australian dollar (74 cents) a barrel.

The Secrets Of a Mummy Unwrapped

By Barry James
International Herald Tribune

PARIS — The most complete and the most scientific attempt so far to penetrate the mysterious world of the mummies is recounted in a new book by two French scientists.

Why did the ancient Egyptians employ this means of preserving the dead? What was the ritual? How did they accomplish it technically? What materials did they employ? What lessons does it hold for the present?

In their book, "A Corpse for Eternity — Autopsy of a Mummy," Jean-Claude Goyon, an Egyptologist at the University of Lyon, and Patrice Jossot, a pathologist in Paris, tell how they joined with other scientists in an attempt to find the answers to these and many other questions.

Mummies have suffered all sorts of indignities through history. Until recently they were dissected at public autopsies in Egypt, unwound for macabre thrills at Victorian fairs, ground into powder for use as an ingredient in medicine and alchemy in the Middle Ages, and even crushed into fertilizer.

But never before has a mummy been so intensively examined, using the full panoply of modern scientific techniques, including a CT (computer tomography) scanner, mass spectroscopy, gas chromatography and electron microscope.

It was also believed to be the first time such an investigation has been performed simultaneously by an interdisciplinary team of medical researchers, Egyptologists and archaeologists — in all, more than a score of scientists.

A television film of the autopsy

will be shown in France in coming weeks.

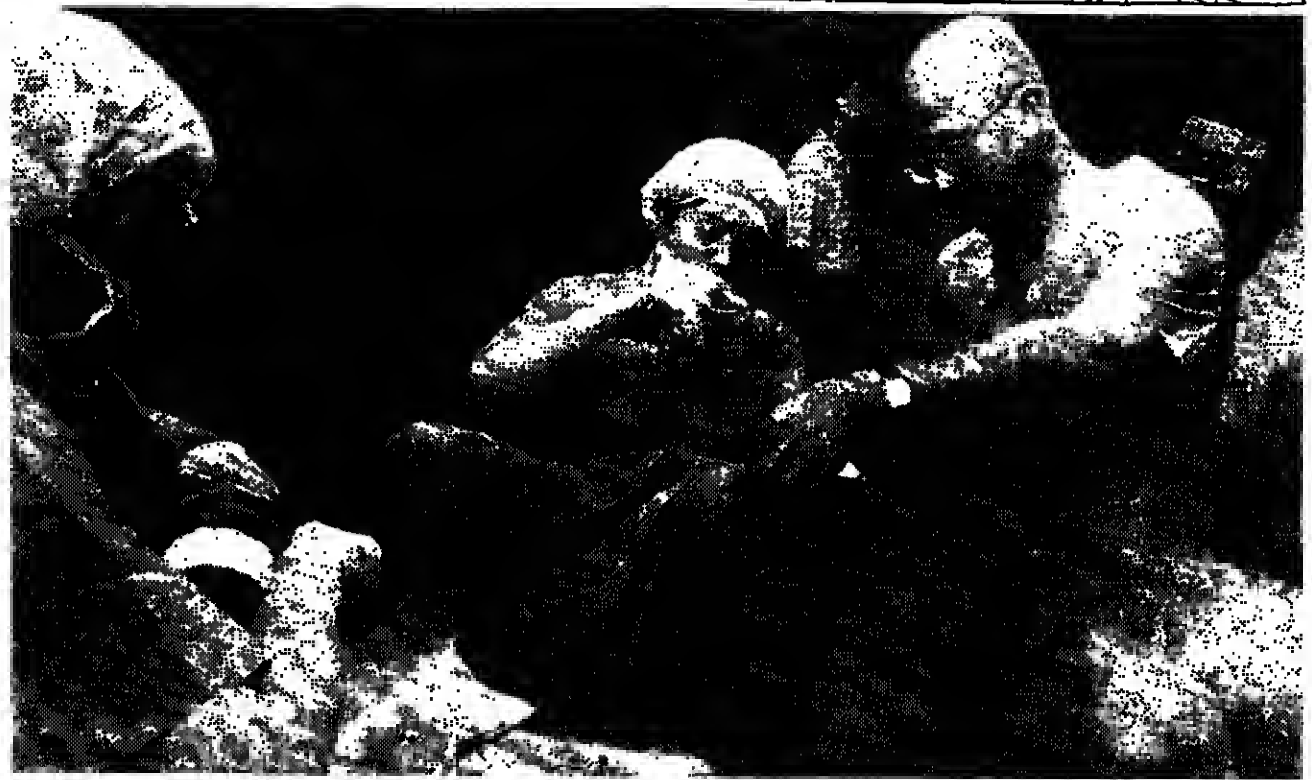
According to the two authors, the autopsy had to overcome two major obstacles. One was the total lack of information from Egyptian sources about the way bodies were mummified. The other was the "almost total incoherence" of modern writing about the subject. "No one agreed about the procedure, the duration, the modalities, or even more curiously, the purpose" of mummification, they said.

For their purpose, the researchers used one of several mummies in the collection of the Guimet Museum of Natural History in Lyon. Somewhere on a journey from Thebes in upper Egypt that began 2,500 years ago, it had become detached from its casket and sarcophagus, and was thus undiscovered either on aesthetic or scientific grounds. As Dr. Jossot said, the ornate funerary caskets readily find buyers, "but not anyone wants one of these in the living room."

For several intense days the researchers carefully unwrapped the mummy's linen bands to allow Dr. Jossot to perform an autopsy that he said was not markedly different from his everyday work as a hospital pathologist. As he cut through the thorax, he said, his saw released the fresh, resinous odor of the unknown plants and herbs used to anoint and embalm the body.

The mummy turned out to be that of a man aged about 40, largely intact, with clearly defined facial features.

Pulling out books on Egyptian ships, Mediterranean plants and ancient hieroglyphics, Dr. Jossot, whose interest in the history of medicine led to his passion for Egyptology, explained two of investigation's most significant finds.



Ancient Egyptian funeral ritual (top), and the recent delicate removal of a mummy's bandages.

First, the body was wrapped in a large piece of linen canvas identified by fabric experts of the Musée des Tissus in Lyon as being probably a half section of a sail, complete with a cordage ring. If so, it is the oldest sail known to exist.

Second, Dr. Jossot discovered a vase containing a petrified ball of skin, apparently the mummy's own, within the thorax. He said both discoveries appear to shed new light on ancient Egyptian rites and could help in deciphering hieroglyphics describing the mummification ceremony.

A sail, for example, could have symbolized a good wind into the after-life, he said, while the skin possibly represented rebirth. It may have derived from the ancient custom of wearing the skin of an animal, as Hercules was supposed to have worn a lion's skin, in order to acquire its qualities.

Through chemical analysis, the scientists identified ingredients of the acidic resin the Egyptians employed as an embalming fluid, including labdanum, a fragrant oleoresin derived from Mediterranean rockroses and still used in perfumery. They have succeeded in producing a sample of the thick brown liquid.

The team is now trying to reproduce the tarlike resin the Egyptians coated onto mummies to preserve flesh "into eternity."

Whether these substances will

have any practical use remains to be seen, Dr. Jossot said. At the least they may help in preserving mummies that fall prey to fungal attack once removed from the dry environment of the Egyptian desert.

The substances used by the ancient Egyptians obviously had remarkable antiseptic and fungicidal qualities, and what is good for a mummy may also prove good for living human beings.

The autopsy was only the start of a long period of research and reflection, Dr. Jossot said. It could take a couple of years or more to fully analyze the results.

According to Dr. Jossot, one misconception is that mummification was available only for the very rich or those of royal blood. "It was a ritual for all social classes," he said, "just like a funeral is today," with different categories of mummification for different social classes.

The essential thing is that the process began very quickly after death. Decay was prevented by the use of a caustic substance called natron and by desiccation in the dry desert heat, to which was added the preserving effect of the various unguents used by the priest-embalmers. According to Diodorus of Sicily, a historian of the first century, mummies were often so "life-like" that they were sometimes kept in the family dwelling for many generations.

The unknown Theban of the autopsy probably did not belong to

the priesthood or the aristocracy, but neither was he from a poor family. He lies now in the reserve collection of the Lyon museum. Eventually, Dr. Jossot said, he will be wrapped up again in fresh linen and left to continue his eternal sleep.

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Cure Elusive, but AIDS Virus Is Better Understood

By Gina Kolata
New York Times Service

SCIENTISTS may be long way from finding a cure for AIDS, but they are getting to know the AIDS virus in extraordinary detail. With a barrage of reports in recent weeks, researchers have confirmed hypotheses about how the virus does its deadly work. As a result, scientists are approaching a consensus about how the virus enters the body and destroys its defenses, causing acquired immune deficiency syndrome.

The AIDS virus, one of the most difficult viruses to study, is better known than virtually any other human virus, said Dr. Dani Bolognesi of Duke University.

However, experts say the more they learn about what is more formally known as the human immunodeficiency virus, or HIV, the more discouraged they are about the prospects for rapidly finding a cure or vaccine.

Until recently, scientists thought that the AIDS virus, like many others, was transmitted as a virus particle in blood, semen or vaginal fluid. This explanation seemed adequate for transmission through blood, in which many virus particles are present.

The seemingly frequent passage of the virus to the receptive partner in anal intercourse might be explained as a consequence of skin tearing that sometimes occurs, giving the virus direct access to blood. But transmission to the other partner and heterosexual transmission in both directions were harder to understand. "There is a very low amount of virus in semen and vagi-

nal fluids," said Dr. Jay Levy of San Francisco General Hospital.

Recently, however, researchers have found that the main source of AIDS virus in semen and vaginal fluid is not free virus particles, but rather macrophages carrying viruses. Macrophages, as the immune system's scavenger cells, are well-suited for carrying the virus to other cells of the body. "A year ago, we

Scientists are approaching a consensus about how the virus enters the body and destroys its defenses, causing acquired immune deficiency syndrome.

had no idea that macrophages were so seriously involved," said Dr. David Baltimore of the Massachusetts Institute of Technology.

Dr. Levy and his colleagues recently isolated the AIDS virus from rectal cells of AIDS patients, and Dr. Martin Hirsch and colleagues at Harvard Medical School recently found the virus in cervical cells. These findings mean the virus can infect partners in anal or vaginal intercourse without any breaks or tears in the skin, Dr. Levy said. Many experts suspect that an-

other possible path for the sexual spread of the virus is through Langerhans cells, other immune system cells. They closely resemble macrophages but are at the surface of mucous membranes, like those of the vagina and cervix, and are at or near the surface of the penis. "It has been well shown that Langerhans cells can be infected with the AIDS virus," Dr. Hirsch said. "We think that's the most likely way that the virus can be carried across genital mucosa."

The macrophage clue is particularly tantalizing. Other cells of the immune system, T-cells, normally activate the body's defenses upon being signaled by macrophages that have engulfed invading viruses or bacteria. The macrophages could pass the AIDS virus to the T-cells, setting the stage for the destruction of the immune system.

Investigators, including Dr. Robert Gallo of the National Cancer Institute in Bethesda, Maryland, also have preliminary evidence that macrophages transmit the AIDS virus to the brain, where it infects microglial cells. These brain cells are thought to be a form of macrophage, Dr. Gallo said.

Finally, macrophages appear to be a continuing source of the AIDS virus as the infection continues. "We believe that macrophages are a major reservoir," Dr. Gallo said. "T-cells get killed when they release the virus, but macrophages can release the virus and not die."

The AIDS virus resides in special sacs inside the macrophage and is invisible to the immune system, he said. The virus can go from these sacs to other cells, or it can be

released if the macrophage itself is killed.

Dr. Gallo cautioned that if infected macrophages looked perfectly normal to the immune system, a vaccine would not protect against them. And, if killing infected macrophages releases the AIDS virus, then even the selective destruction of these cells would not defeat the disease.

Until recently, scientists were at a loss to explain how a small proportion of infected cells causes the demise of so many others. Now they have several answers, all of which seem correct, they say.

One is particularly unpleasant. Many studies suggest that the dormant AIDS virus becomes active and multiplies when the body is responding to a new disease threat. These studies indicate that the biochemical signal to a T-cell to start

replicating and activating the rest of the immune system instead causes the AIDS virus to replicate and destroy the T-cell.

The relation between T-cell activation and AIDS-virus release may cast a pall over attempts to treat AIDS patients by boosting their immune systems with drugs such as interferon. The immune system boosters activate T-cells, said Dr. Jeffrey Laurence of Cornell University School of Medicine in New York, which means that they could cause the virus to be spread from infected cells.

Still, experts believe that more is going on than simply the spread of virus among T-cells. They reason that too few T-cells are infected to account for the destruction of the immune system.

Until recently, the leading hypothesis was cell fusion. The idea

was that infected T-cells had viral proteins on their surfaces that made other T-cells stick like iron filings to a magnet. The resulting mass of cells were unable to function and so were eliminated by the body's immune system.

The fusion hypothesis is being supplanted by another proposal that experts say is compelling: that viral proteins released by HIV-infected T-cells stick to healthy T-cells and lead to their destruction.

Dr. Bolognesi noted that an infected T-cell throws off fragments of viral proteins.

The proteins bind to the surfaces of healthy T-cells, coating them. "They stick like Velcro," Dr. Bolognesi said. Antibodies the body has made in an attempt to fight the infection then bind to the viral proteins, signaling the immune system to destroy the healthy cells.

Until recently, the leading hypothesis was cell fusion. The idea

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Post-Crash Medicine

October's stock market crash was widely expected to cut back economic growth and perhaps create recession. Five months later, governments preen themselves on the slump's failure to arrive. It is early to tell; it can take time for business and consumers to adjust spending to loss of wealth. Still, there could be an element of self-sustaining prophecy here. Reviving confidence can breed on itself.

Fair to Foreign Money

Foreign investors have put half a trillion dollars into America in three years. Congress thinks that it ought to exercise closer control of this surge in foreign ownership. But it is pursuing the wrong remedies. Two provisions on foreign investment are wrapped into the trade bill, and both are undesirable.

Latin Ups and Downs

The Central American isthmus makes life hard for headline writers. Item: Last week General Manuel Antonio Noriega, pressed by Washington, seemed to be packing his bags for exile in Spain; now the Panamanian military leader stocks weapons and vows defiance.

Other Comment

Indonesia Needs Fresh Air Half of Indonesia's cabinet was replaced this week at the start of President Suharto's fifth and probably final five-year term. But there is not a lot in the reshuffle to suggest that a much needed breath of fresh liberal air is about to sweep through Southeast Asia's largest country.

Tell the Powers to Halt the Iran-Iraq War

By Flora Lewis

PARIS — The dispatch of U.S. and European warships to the Gulf was eventually organized into an effective operation despite the sloppy start. "It worked," says Admiral Pierre Lacoste, former head of France's secret service, "and because it worked you don't hear that it is working."

For an end to the war, but they cannot agree on stopping the provision of arms that keep it going. They act as if it were really not that important, as long as mostly Iraqis and Iranians are being killed. The death of a few neutral sailors now and then is accepted as part of the situation.



By MOIR in The Sydney Morning Herald. C.W. Spillane.

wants out with a return to the status quo ante, but it cannot impose its wish. Nor can it win. A victory for revolutionary Iran would be a disaster for the region, probably for the whole Islamic world, with impact on all the powers. So the bloody impasse is allowed to continue because the powers cannot bring themselves to put effective pressure on both sides.

Northern Ireland: More of the Same, Then War?

By William Pfaff

PARIS — It is possible to think of at least four things that could happen to poor Ulster. The first is Britain's withdrawal from Northern Ireland, tribal Catholics and tribal Protestants then falling upon one another in civil war.

Ulster's Protestants could be indemnified handsomely. Those American Irish who give so generously to the IRA to buy arms and explosives could give their money now to the better cause of buying the Protestants new homes and businesses in Scotland or Canada or Australia.

Protect the Law-Abiding People in the Middle

NO society, however civilized, is immune to occasional outbreaks of savagery at the margins — or to official evasion when savagery is suspected. Britain, with the special burden of policing Northern Ireland's ancient sectarian enmities, differs fundamentally from Israel, with the special burden of occupying the territories conquered in 1967.

For a New Input of Political Energy

IT HAS become dreadfully fashionable to talk of Northern Ireland in terms of "the long war," as though both communities were doomed to some eternal conflict. Within the province, where people are exhausted by the daily violence and trapped by their tribal loyalties, this is perhaps understandable. But as an articulation of considered political opinion in Britain, it is alarming.

Back to Tolerated Business Bribes?

By Michael Waldman

WASHINGTON — As James McKay, the special prosecutor, continues investigating the Iraqi pipeline affair, Congress seems poised to get the very anti-bribery law that Attorney General Edwin Meese allegedly ignored.

But the Reagan administration and its allies have long sought to defang the law. They inserted into the trade bill language proposed by Senator John Chafee, Republican of Rhode Island. The House has passed similar legislation. The Senate bill would weaken the law by making what is deemed acceptable if "reasonable" and based on "local custom."

Moderates Will Finish The Race

By James Reston

WASHINGTON — At last in the presidential nominating race, the most significant fact is the moderates are the winners. Their more extreme brethren have lost. All the candidates who they had simple remedies for complicated problems of America with the exception of Jesse Jackson have dropped behind or dropped. And Mr. Jackson wants to redistribute the wealth of the country, which is not a very popular notion.

The odds are running against the Democrat

world. President Francois Mitterrand, longer sounds like the socialist leader of yore. Socialists in Britain and West Germany are moving toward the middle. The Soviet Union and China are actually fiddling with capitalist remedies for their peculiar economic ills.

At this point, Mr. Bush is the clear winner. He has been more loyal to Mr. Reagan than to him and he has more foreign experience than all the other candidates combined. But somehow, with his military smile, he has not put Vale in Texas as well as he has in the press. That maybe he is just a bush leaguer who might not be a hit in the majors.

100, 75 AND 50 YEARS AGO

1888: Soldiers' Pensions

PARIS — The Senate spent three weary hours [on March 23] discussing a bill for the allotment of pensions to the heroes who were wounded in the '48 Revolution. A hundred and forty-four of these interesting people have pnt in claims for money assistance, and seventy have been pacified. The other seventy-four are, according to M. de Lanbespin, rogues and criminals. Under the Senate bill, the country would not be liable.

1938: Battle in China

SHANGHAI — The fiercest battle in China's history raged today [March 23] as 200,000 troops sought to stop the Japanese advance south from Shanghai along the Tientsin-Peking Railroad toward the strategic junction at Suchow. The Japanese are their two columns closing in on show from the north and south, and 114 miles apart. Casualties on both sides ran into thousands. Chinese reported in a desperate fight at Tenghsien. More than 300 Chinese soldiers are reported to have committed suicide by blowing themselves up with hand grenades rather than to be treated, when their commander shot himself after being wounded.

1913: Belgians to Strike

BRUSSELS — After a lengthy discussion today [March 23], the Belgian Socialist Congress decided to call a general strike on April 14 in favor of the principle of one man one vote, which the Government and the Catholic majority has so far refused to grant. The Congress decided that the strike should last until the reform

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OPINION

For Democrats, Economics Would Mean Bad Politics

By George F. Will

WASHINGTON—Most Democrats speak the way most people do physical exercise. With joyless earnestness. But Jesse Jackson uses words with exuberance, as when he says that when he is president he will end "economic brutality."



LETTERS TO THE EDITOR

Still 'a Hiroshima Every Two Days' in the Third World

The decision of the International Monetary Fund and the World Bank praised by your editorial, "A New Realism on Debt" (March 5), looks to me like more of the same disastrous prescriptions that Susan George described in the book "A Fate Worse Than Debt."

More of King François

President François Mitterrand, speaking Tuesday on television, claimed to be a champion of democracy. But should any man be president of France for 14 years?

Unjust Deserts Elsewhere

The French political thinker Joseph de Maistre said that "every nation has the government it deserves." The chilling thing is that when Americans come up with a Nixon or a Reagan, the rest of us get stuck with him, too, strategically and economically at least.

Constituents Abroad

While poll takers, politicians and analysts ponder numbers in an effort to anticipate voting intentions, a substantial block of potential voters will slip through their forecasts.

A Dance Around the World

On Feb. 1 you reported that a passenger jet had broken the round-the-world speed record. But to qualify as a round-the-world trip, a journey (by air or sea) should pass into both hemispheres and cross the equator twice.

Looking for the X Team

Regarding "U.S. Spy Hunters Are Stalking Israel's 'Mr. X'" (Feb. 20): Amid the reawakened interest in the Jonathan Jay Pollard spy case, I would suggest that the U.S. Justice Department and Washington Post reporters Bob Woodward and Walter Pincus are on the right path but barking up the

Where Bards Used to Sing, Professors Now Hold Class

By Gore Vidal

LOS ANGELES—In the beginning there was the spoken word. The first narrations concerned the doings of gods and kings, and these stories were passed on from generation to generation, usually as verse in order to make memorizing easier. Then, mysteriously, in the 5th century B.C. all the narratives were written down and literature began.

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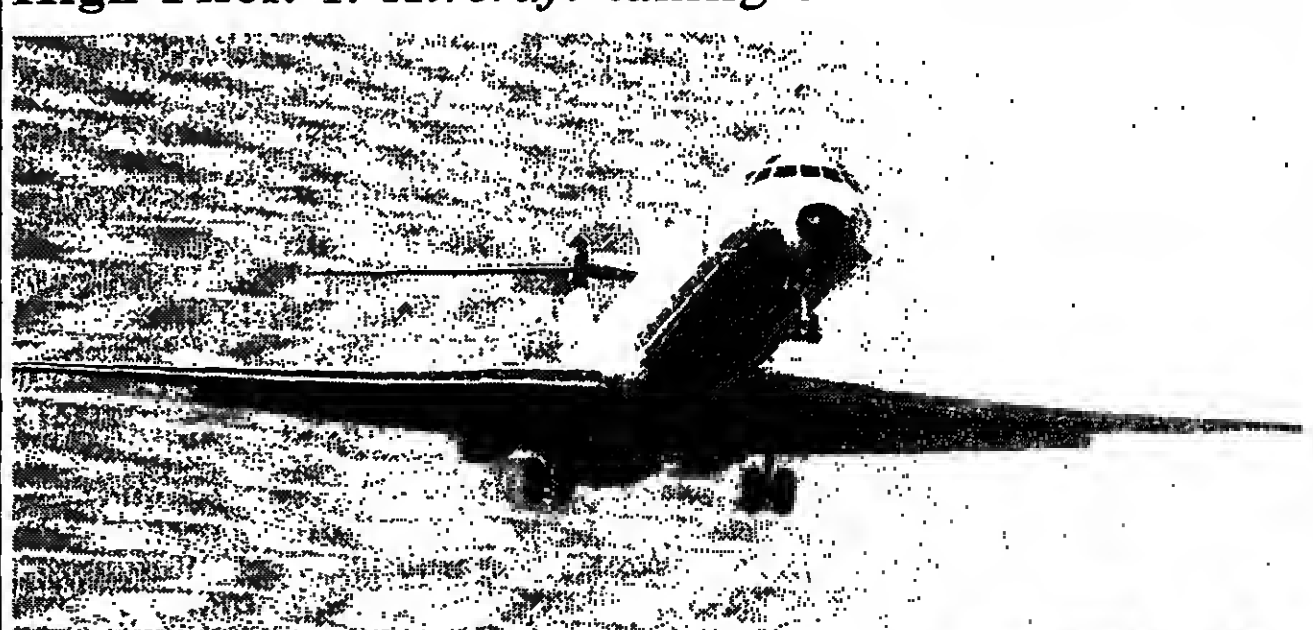
Here's How You Can Play All you have to do to play the World Famous New York Lottery is to complete the order form and send it to United States International Marketing's world wide processing center, along with your payment.

Fast Service Your subscriptions are sent to Hoofddorp, The Netherlands. This is our express address located right in Amsterdam's World Famous Schiphol Airport.

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NYSE Most Actives table with columns: Vol., High, Low, Last, Chg.

Market Sales table with columns: NYSE 4 a.m. volume, NYSE 9 a.m. volume, etc.

NYSE Index table with columns: High, Low, Close, Chg.

Wednesday's NYSE Closing logo and text: Via The Associated Press

AMEX Diary table with columns: Close, Prev.

NASDAQ Index table with columns: Close, Chg., Week Ago, Year Ago

AMEX Most Actives table with columns: Vol., High, Low, Last, Chg.

Dow Jones Bond Averages table with columns: Bond, Close, Chg.

NYSE Diary table with columns: Close, Prev.

Odd-Lot Trading In N.Y. table with columns: Buy, Sell, *501

Dow Jones Averages table with columns: Date, High, Low, Last, Chg.

Standard & Poor's Index table with columns: High, Low, Close, Chg.

NASDAQ Diary table with columns: Close, Prev.

AMEX Stock Index table with columns: High, Low, Close, Chg.

Tables include the nationwide prices up to the closings on Wall Street and do not reflect late trades elsewhere.

Large NYSE stock price table (left column) with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 High, Low, Close, Chg.

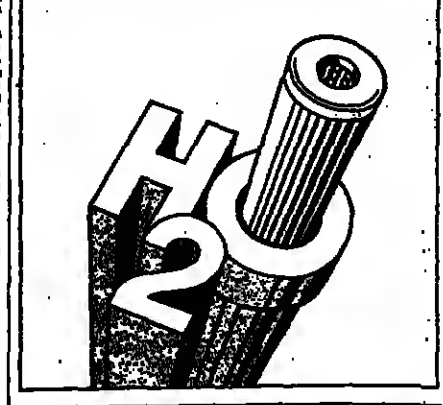
NYSE Rises in Modest Trading

NEW YORK — Prices on the New York Stock Exchange closed slightly higher Wednesday in moderate trading as takeover activity dominated a market stilled by lack of interest. The Dow Jones industrial average, which slipped 0.99 point on Tuesday, rose 1.49 points to close at 2,067.64. Advances led declines 9 to 6, while volume rose to 167.37 million shares, up from 142 million on Tuesday. "What we have here, and we have had in the last several days, is a market that doesn't want to go in either direction," said Harry Miller, a portfolio analyst with Johnson, Lane, Space, Smith & Co. in Atlanta. "We are at a point where you would think 'window dressing' would be taking place," Mr. Miller said, referring to portfolio adjustments ahead of the quarter's end. "But the only activity is speculative or in takeover plays. Broader indicators also gained slightly. The New York Stock Exchange composite index rose 0.30 point to 151.83. Standard & Poor's 500-stock index gained 0.07 point to 268.91. The price of an average share added 6 cents. Despite the market's pause, Mr. Miller remained optimistic about the near term. "This market appears to me not to want to go down," he said. "Earnings should be better than previous estimates, and that should allow the market to withstand higher interest rate pressure for a time. "The market is taking a breather from the advance of the past two and a half months," said Rao Chalasani, market strategist with Prescott, Ball & Turben Inc. in Cleveland. "With interest rates going up at the long end, some support for the market is eroding. This is not out of line." Mr. Chalasani said takeover stocks have been supporting the market during the current pause in equity trading and weakness in bond prices. "However, the positive fundamentals underpinning this market will eventually win out," he said. "We must take into account the portfolio considerations as the quarter comes to an end. Nobody is going to sell in a quarter that is showing a net gain. The decline we are seeing will be short-lived. The advance-decline ratio is hardly negative." In economic news Wednesday, the Labor Department reported that inflation at the retail level rose 0.2 percent in February. In a separate report, the Commerce Department said the nation's economy grew at a revised 4.8 percent in the fourth quarter. Both reports were in line with Wall Street expectations. On the NYSE, Navistar was the most active issue, up 3/4 to 64. Lucky Stores followed, up 2 to 48 1/2. The stock jumped more than 14 points Tuesday after American Stores launched a \$45-a-share takeover bid. American Stores was up 1 to 59 1/4. BankAmerica was third, up 3/4 to 11 1/4, after it dismissed takeover rumors. Textron gained 5 to 29 1/4, amid takeover rumors.

Large NYSE stock price table (middle column) with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 High, Low, Close, Chg.

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Large NYSE stock price table (right column) with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 High, Low, Close, Chg.

Large NYSE stock price table (bottom left) with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 High, Low, Close, Chg.

Large NYSE stock price table (bottom middle) with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 High, Low, Close, Chg.

Large NYSE stock price table (bottom right) with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 High, Low, Close, Chg.

Large NYSE stock price table (bottom far right) with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 High, Low, Close, Chg.

(Continued on next left-hand page)

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INTERNATIONAL MANAGER

One Aim of U.K. Budget Is to Reward Performance

By SHERRY BUCHANAN International Herald Tribune

LONDON — International managers in London cracked open the champagne last week after Nigel Lawson, the British chancellor of the Exchequer, announced a cut in the top income tax rate from 60 percent to 40 percent.

The lower tax rate is the latest in a series of efforts by the Thatcher government to encourage companies to reward executives according to performance.

Rewards for performance are supposed to link the good fortunes of executives to those of their companies. In principle, those rewards yield more benefits for the economy than automatic perks, better known as perks, such as the company car or the company-paid membership in the country club.

Perks are unrelated to performance and therefore do nothing to promote business growth.

"With the tax cut, performance-related reward will obviously be strengthened," said Nigel Dyckhoff, a consultant with Spencer Stuart, the London power benefits in kind, or perks, he said.

"Recognizing that linking pay to performance is a way of motivating executives, the British government liberalized its tax rules in 1984 to make stock option plans more attractive. The French made a similar move in 1986. Under the new British tax rule, stock option plans and long-term cash incentives will be taxed equally.

International compensation experts, who advise companies on how to calibrate salaries, benefits and pensions most effectively, expect British companies to start experimenting with long-term cash bonus plans to motivate their top executives.

Compensation experts argue that three to five-year cash bonus plans are one of the best ways to motivate managers and, at the same time, promote strategic business goals.

"Executives who get annual bonuses tend to win the race but kill the horse," said Laurent Dufétel, a consultant with the Hay Group in Paris.

TONY VERNON-HARCOURT, a partner of Monk Publications in London, publishers of the executive pay surveys, said, "The danger of the one-year bonus is that top executives can too easily manipulate one-year results by cutting advertising costs, or not spending as much as they should on research and development. Anybody can achieve good results over one year, but what companies need are people at the top who have an incentive to take a longer-term view."

Long-term bonuses, which are not necessarily tied to the stock price, tend to reward individual performance. Stock options and the stock price reflect the fortunes of the entire company, not necessarily the performance of any individual.

"Stock options are more of a lottery," said Brian Brooks, a consultant with Towers Perrin of New York, which specializes in compensation.

Towers Perrin, however, does not expect long-term cash bonus plans to increase as dramatically in Britain as stock options plans did following the introduction of more favorable tax treatment in 1984. In the firm's 1987 survey of the Times of London's "Times Top 100" companies, all of the companies studied had stock option plans, compared to 35 percent in 1983.

"Most companies perceive stock option plans as almost a free way to hand out incentives," said Mr. Brooks of Towers Perrin, "whereas long-term cash bonuses make the board feel nervous because they are expensive."

Under current accounting practices, stock options are not charged to earnings, whereas cash bonuses are, he said, adding, "Old habits die hard."

Thrift Will Turn Into Bank

Abbey of Britain Plans Share Offer

By Warren Getler International Herald Tribune

LONDON — Britain's second-largest savings and loan, Abbey National Building Society, said Wednesday that it planned a major share flotation within two years, a pioneering move that would make it Britain's sixth-largest commercial bank.

The flotation is expected to raise about £2 billion (\$3.66 billion), one of the largest British share offerings in recent years. Analysts said the change, the first to be announced by a British building society, reflects the growing competition in British financial services between the societies and commercial banks.

The government recently freed building societies to offer a range of financial services beyond their traditional savings and home loan businesses. However, they are still prevented from competing on equal terms with banks.

For example, current law limits the amount they can raise on wholesale money markets, restricts unsecured lending and insists that their main business remain savings and home loans.

In a move to sidestep these restrictions, Abbey announced that its board had decided to recommend to the society's 7 million members that it become a public company, as permitted under the Building Societies Act of 1986. Abbey's current corporate status is that of a "mutual organization" that has no equity shareholders and plows all profit back into the organization.

It said members would receive preferential treatment when shares are offered, but that details were being discussed with regulators.

That transformation, if approved by a sufficient number of Abbey's borrowers and investors, will mean that the Bank of England will assume regulatory responsibility for the company from the Building Societies Commission.

"This will make Abbey the sixth-largest bank, behind the TSB Group," said Timothy Clarke, an analyst with the brokers Scrimgeour Vickers. TSB, which was formed 175 years ago as a philanthropic savings bank for Scots,

See ABBEY, Page 11



Versions of Hachette's Elle in Spanish, English, Italian, Japanese, French and Chinese.

From Kiosk to Multimedia Giant

By Deborah Wise New York Times Service

PARIS — Professor Louis Hachette saw a business opportunity emerging in the early days of railroads and, in 1826, won the first newspaper concession in Paris stations.

With the profits, he established a press in the heart of the Latin Quarter, employed a young writer named Emile Zola and started publishing books by Victor Hugo and George Sand.

The kiosks and the venerable house that Hachette built still exist, but they are now part of a \$3 billion multimedia giant controlled by an eclectic, expansion-minded entrepreneur, Jean-Luc Lagardère. He not only runs Hachette with its dozens of magazines, a radio station and a weekly television magazine, but also owns a Paris soccer club and controls Matra SA, France's largest maker of military and electronic equipment.

Now Mr. Lagardère is after Grolier Inc., the leading U.S. publisher of encyclopedias. If his takeover effort succeeds, Hachette will become the world's third-largest publisher, after Bertelsmann AG of West Germany and Simon & Schuster, a subsidiary of Gulf & Western Inc.

On Wednesday, Grolier's board unanimously rejected Hachette's \$415 million offer, saying that it was inadequate. Grolier said it still hoped to negotiate an acquisition "on satisfactory terms" and that it was holding

talks with several parties, including Hachette.

Hachette offered \$21 a share on March 13 for the U.S. publisher. But Grolier's stock price has advanced steadily since, closing Tuesday at \$26.375 on the New York Stock Exchange.

Mr. Lagardère took control of an ailing Hachette SA in 1980 amid controversy. As chairman of Matra, he was hardly considered the heir apparent to a literary treasure, albeit a battered one. There were even rumors that the administration of President Valéry Giscard d'Estaing sanctioned the deal to have an ally in the publishing world. After all, Hachette published such widely read publications as Le Journal du Dimanche, a Sunday newspaper, and Télé 7 Jours, a weekly television magazine.

With strong denials, Mr. Lagardère vowed to keep Hachette independent of politics and return it to financial health. He did both.

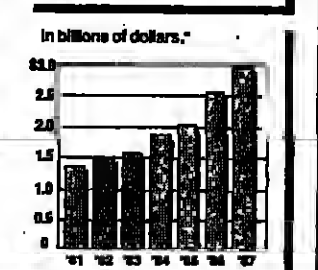
In 1979, the company's finances were stagnant and its bank had removed Hachette's great-grandson from power. "Hachette was like an old venerable lady, very respectable but not very young or dynamic," said Yves Sabourat, vice chairman and chief executive of Hachette, who was Mr. Lagardère's second-in-command at Matra and who is married to a member of the original Hachette family.

Mr. Lagardère, a charismatic leader who had been named ex-

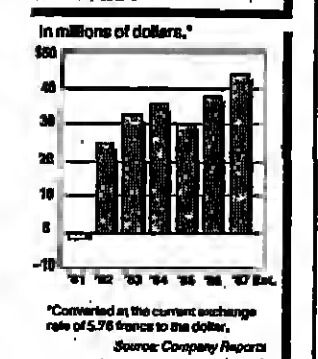
ecutive of the year in 1979 by L'Expansion magazine, brought in a younger management team, invested \$100 million in retool-

See HACHETTE, Page 11

Hachette Sales Climbed



Anal Earnings Increase



Oil Prices Rise As OPEC Sets April Meeting

By Youssef M. Ibrahim New York Times Service

PARIS — The president of the Organization of Petroleum Exporting Countries, Rilwanu Lukman, said Wednesday that OPEC's pricing committee of five ministers would meet in Vienna in the first week of April to review the cartel's adherence to production quotas.

Oil markets greeted the news as an indication that OPEC would take some action to address recent weakness in prices. In New York, prices of West Texas Intermediate, the most widely traded U.S. crude, rose 44 cents for May delivery to \$16.81.

Earlier, in London, the price of the benchmark North Sea Brent crude for May delivery jumped by 30 cents to \$15.30.

Mr. Lukman, who is also the Nigerian oil minister, made his announcement at a news conference in Lagos, Nigeria. His cancellation of a news conference Tuesday had caused prices to fall because the market had expected him to announce a price-support strategy.

The OPEC president denied Wednesday that the meeting was scheduled in response to the recent drop in oil prices.

Several OPEC officials from countries other than Nigeria voiced surprise at Mr. Lukman's decision. They said that an audit of the cartel's production had fallen short of projections because many countries had not complied with a requirement that they submit their actual output figures to OPEC auditors.

A majority of OPEC officials have argued against holding any meetings, even of the small pricing committee, given OPEC's poor record in enforcing measures intended to support oil prices. Production quotas often have been violated, and fixed prices have sometimes given way to widespread discounts.

Mr. Lukman refrained from saying whether the five-member ministerial committee, which includes Nigeria, Saudi Arabia, Algeria, Venezuela and Indonesia, might recommend a full-scale OPEC meeting.

The authority of the group's president is limited to calling a meeting. Decisions on pricing and production can only be adopted unanimously inside OPEC, and a decision to call for a plenary meeting must be made by all five members of the pricing committee.

Saudi Arabia has let it be known that it is firmly opposed to any new production cuts to support prices. The Saudis rejected a call from Algeria and Venezuela for a 5 percent cut in OPEC production, or the elimination of another 850,000 barrels a day from current production levels. Output by the 13 members of the cartel is running at about 18 million barrels of oil a day.

That level exceeds market requirements by an estimated one million barrels a day, experts say. OPEC's official production ceiling is 15.06 million barrels a day, excluding Iraq.

The Saudis, who have scrupulously observed their OPEC quota of 4.3 million barrels a day, have said that other members should adhere to their quotas before any new measures are approved.

But the Saudi press agency, SPA, reported Wednesday that the Saudi oil minister, Hisham Nazer, had requested an immediate meeting of the pricing committee to discuss the situation in the oil market.

In a statement issued from Riyadh on Wednesday, the Saudi press agency said that King Fahd had been misquoted as confirming Monday that Saudi Arabia granted price discounts. The king said only that no OPEC country can be expected to reduce its production while other oil producers feel free to increase their output, the agency said.

U.S. GNP Grew 4.8% In Quarter

The Associated Press

WASHINGTON — The U.S. economy expanded at a 4.8 percent annual rate in the final quarter of last year, even faster than the previous estimate of 4.5 percent, the government said Wednesday.

The Commerce Department said the gross national product, the total of a nation's goods and services, grew from October through December at the fastest pace in almost two years as the economy appeared to shake off October's record stock market plunge.

The government also reported that consumer prices rose a modest 0.3 percent in February, indicating that inflation remains mild.

The revision in GNP growth was the second for the fourth quarter. January was originally estimated in February at 4.2 percent.

The fourth-quarter growth rate followed growth of 4.3 percent in the third-quarter and 4.2 percent in the second quarter, the fastest quarterly growth rate since an increase of 5.4 percent in the first quarter of 1986.

The fourth-quarter data showed that consumer spending and business investment, although depressed, fared better than had been expected. Exports rose faster than previously reported.

Economists said the new report tended to confirm that the United States will enjoy continued economic growth this election year.

The government said exports were rising at an annual rate of 15.9 percent, faster than thought, and that business investment spending had risen by 1.6 percent.

Even with the revisions, more than three-fourths of the increase in GNP came from a huge buildup of unsold business inventories.

Separately, the Labor Department said consumer prices rose 0.2 percent in February, reflecting lower food and energy costs.

Food prices fell 0.3 percent for the month, after rising 0.3 percent in January. Energy costs, which had fallen 0.7 percent in January, fell 0.6 percent last month.

Currency Rates

Table with columns for Currency, Bid, Ask, and other rates for various international currencies.

Source: Reuters, Tokyo and Zurich, Reuters in other centers. New York closing rates.

Other Dollar Values

Table showing exchange rates for various currencies against the US Dollar.

Source: Reuters, Tokyo and Zurich, Reuters in other centers. New York closing rates.

Forward Rates

Table showing forward exchange rates for various currencies.

Source: Reuters, Tokyo and Zurich, Reuters in other centers. New York closing rates.

Interest Rates

Table showing interest rates for various financial instruments.

Source: Reuters, Tokyo and Zurich, Reuters in other centers. New York closing rates.

Key Money Rates

Table showing key money market rates.

Source: Reuters, Tokyo and Zurich, Reuters in other centers. New York closing rates.

Asian Dollar Deposits

Table showing Asian Dollar deposit rates.

Source: Reuters, Tokyo and Zurich, Reuters in other centers. New York closing rates.

U.S. Money Market Funds

Table showing US Money Market Fund rates.

Source: Reuters, Tokyo and Zurich, Reuters in other centers. New York closing rates.

Gold

Table showing gold prices in various locations.

Source: Reuters, Tokyo and Zurich, Reuters in other centers. New York closing rates.

In Computer Storage Race, Chips Are Gaining Fast on Disks

By Andrew Pollack New York Times Service

SAN FRANCISCO — Computer memory technology is advancing so rapidly that some engineers say that in the next decade silicon chips will begin to replace magnetic disks as the main way of storing information in computers.

Such forecasts are encouraged by several factors. One is that silicon memory chips continue to gain in storage capacity and to decline in the cost per bit stored at a rate faster than magnetic memories.

Today's most advanced memory chip can store 1 million bits of information. But the 4-megabit chip is expected to start trickling onto the market later this year and the 16-megabit chip has already been produced in several laboratories.

By the turn of the century, a single chip will probably store 1 billion bits of information. At eight bits to the byte, that means 125 million bytes, more than six times the capacity of the 20-megabyte hard disk now sold with many personal computers.

Moreover, progress is being made in overcoming a main drawback of most memory chips: their loss of memory once the electric power is turned off. Magnetic disks do not have this problem.

Finding a memory chip that retains its memory without electrical power, but still remains fast and cheap has been the chip equivalent of the Holy Grail. Now, two new kinds of memory chips — flash memories and ferroelectric memories — offer the promise of meeting these requirements.

Silicon enthusiasts say that at the rate their industry is developing, silicon will approach the cost per bit of magnetic storage by the end of the century.

Such projections, however, elicit "nothing but gales of laughter from the disk drive manufacturers," said James N. Porter, editor of DiskTrend Inc., a market research firm that follows the disk drive industry. Magnetic disks account for the vast majority of bits stored because they are far cheaper than chips. A 20-megabyte hard disk costs a few hundred dollars. Storing the same

Tokyo Shoppers Will Test 'Pocket Electronic Bank'

Compiled by Our Staff From Dispatches

TOKYO — Visa International said Wednesday it would launch a three-year test here of its "SuperSmart Card," an electronic credit card with a built-in computer and keyboard that allows card holders to monitor their account balances and receive authorization for purchases without use of a terminal.

Visa, which is based in San Francisco and is the world's largest consumer payments system, said the test would involve 120 Tokyo shoppers and begin in June. Similar tests will be conducted in the United States, Canada and Europe later, the company said.

Kunachiro Furuya, Visa International's general manager for Japan, called the card "a pocket electronic banking system."

The new system was developed by Visa in partnership with Toshiba Corp., the Japanese electronics giant. The card allows consumers to purchase goods without the use of a store's computer because the card has a built-in, tamper-proof memory of the holder's balance, the developers said.

The card holder can monitor his account by punching a secret password. The card has a conventional integrated circuit but includes a battery, a command panel with 20 buttons and a 16-digit liquid crystal display unit not found on existing cards.

The card allows users to check whether they can transfer funds electronically between up to four types of bank accounts. An additional function for users abroad will allow currency transfers to be arranged, but the actual transfers will still require a terminal.

Telephone links to be introduced in October will allow users to reserve or book flights through Japan Air Lines and buy and sell Japanese stocks through the central computer of Daiwa Securities Co. of Japan.

These additional functions will require a special telephone that currently costs 200,000 yen (\$1,575). But Nippon Telegraph & Telephone Corp. of Japan estimates that the telephone's price could fall as low as 30,000 yen (\$235) once mass production begins.

The experiments are aimed at standardizing electronic cards and developing new areas of services for customers, Mr. Furuya said.

A group of 14 corporations and a banking group organized an association to participate in the testing of the new card. The Bank of Japan is acting as an observer.

(UPI, AFP, Reuters)

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Wednesdays NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

13 Month High Low Stock Div Yld PE 52 Wk High Low Open Close

(Continued)

Table of stock prices for various companies including IBM, AT&T, and others.

NYSE High-Lows

NEW HIGHS 22

NEW LOWS 4

AMEX High-Lows

NEW HIGHS 10

NEW LOWS 13

Calmat, a Cement Firm, Gets \$1.2 Billion Bid From Brierley

LOS ANGELES — Calmat Co., a U.S. cement company, said Wednesday that it had received an unsolicited, conditional proposal from Brierley Investments Ltd. of New Zealand to acquire Calmat for \$40 per share in cash, valuing the company at \$1.2 billion.

Calmat said the proposal was made subject to concluding appropriate financial arrangements. Brierley Investments, New Zealand's leading investment company, is the parent of Industrial Equity (Pacific) Ltd., which already owns 19 percent of Calmat's 30.4 million outstanding shares.

Calmat said it will convene a board meeting to judge the bid against other proposals and will advise shareholders accordingly.

Judge Approves Plan To Reorganize Texaco

WHITE PLAINS, N.Y. — A federal judge approved Texaco Inc.'s \$5.6 billion financial reorganization plan Wednesday, clearing the way for the oil giant to emerge from the biggest U.S. corporate bankruptcy case.

U.S. Bankruptcy Judge Howard Schwartz issued the ruling after a day-and-a-half hearing on the proposal for resolving Texaco's debts to its creditors. The confirmation of the plan should allow Texaco to emerge from court protection by mid-April, a year after it filed to reorganize under Chapter 11 of the federal bankruptcy code.

Texaco had filed under Chapter 11 contending it could not afford to post an \$11 billion bond while appealing a \$103 billion judgment against it by Houston-based Pennzoil Co.

Texaco agreed in December to pay Pennzoil \$3 billion to settle that dispute. The agreement formed the keystone of the bankruptcy reorganization plan.

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For details contact: Madrid, Salvador Vidal, tel.: Madrid 250-38-34. Barcelona, Int'l Press Service, tel.: Madrid 733-94-49.

Herald Tribune

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Herald Tribune

U.S. Futures Via The Associated Press

March 23

Grains

WHEAT (CBT) 2000 minimum - dollars per bushel

COY BEANS (CBT) 2000 minimum - dollars per bushel

SOYBEAN MEAL (CBT) 4000 minimum - dollars per ton

SOYBEAN OIL (CBT) 4200 minimum - dollars per ton

REEFER CATTLE (CME) 4000 live weight - dollars per cwt

PORK BELLIES (CME) 4000 live weight - dollars per cwt

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Food

COFFEE (CINTCE)

SUGARWORLD II (NYCCE)

COCA (NYCCE)

ORANGE JUICE (NYCCE)

COOPER (COMEX)

SILVER (COMEX)

PLATINUM (NYMEX)

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FINANCIAL

30 YR. TREASURY (CBT)

10 YR. TREASURY (CBT)

5 YR. TREASURY (CBT)

2 YR. TREASURY (CBT)

1 YR. TREASURY (CBT)

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BUSINESS ROUNDUP

BAT Profit Is Flat at £1.39 Billion

LONDON — BAT Industries PLC, the British-based conglomerate with interests in tobacco, retailing and insurance, said Wednesday that its profit in 1987 was flat at £1.39 billion (\$2.54 billion) compared with the previous year, as the stronger pound reduced earnings by £192 million.

Générale de Banque Net Up Despite Loss on Share Issue

BRUSSELS — Générale de Banque SA, Belgium's biggest commercial bank, said Wednesday that its consolidated group net profit rose 8.7 percent to 6.4 billion Belgian francs (\$180.8 million) in 1987 despite losses incurred in supporting Société Générale de Belgique SA against a potential takeover.

for which the bank paid 3,350 francs each, were sold in December and January before the Italian financier Carlo de Benedetti launched his hostile bid for Générale de Belgique. Mr. Groothart said the loss was completely written down in the 1987 accounts.

Générale de Belgique's share price was 2,280 francs on Dec. 31. On Jan. 14, the day Générale de Banque sold the last of the shares, the price had risen to 3,015 francs.

Dealers said they were encouraged by the higher dividend and the fact that BAT profit exceeded most analysts' forecasts.

The company's operating profit fell slightly to £1.4 billion from £1.5 billion, with the tobacco division's earnings slipping 5.5 percent to £722 million. Although translation of overseas earnings into sterling was depressing profit, it said, the tobacco businesses generally did well in constant currency terms.

Profit from the paper manufacturing division fell by about 3.7 percent, hit by higher world pulp prices, BAT said.

Retailing trading profit fell 3.8 percent to £203 million, although BAT's Marshall Fields department store chain in Chicago recorded sales of \$1 billion for the first time and increased its profit. BAT also owns Saks Fifth Avenue of New York.

Profit from the paper manufacturing division fell by about 3.7 percent, hit by higher world pulp prices, BAT said. But a strong cash flow, particularly from the tobacco business, allowed the group to cut its net interest charge during the year to £1 million from £88 million previously. Borrowing fell to £1.5 billion from £1.9 billion.

Mazda USA Chief Assails American Parts Suppliers

ANN ARBOR, Michigan — The head of Mazda Motor Corp.'s U.S. subsidiary has harshly criticized its American parts suppliers, saying that U.S.-made parts have three to five times more defects than their Japanese counterparts.

ABBEE: U.K. Thrift to Sell Shares, Become a Bank

(Continued from first finance page) west public in 1986 and has been expanding its financial services.

The commercial banks have been competing with the building societies in the mortgage market for some seven years, Mr. Clarke said. "Now this will put more pressure on the clearers," he added, a reference to the four major commercial banks, National Westminster Bank PLC, Barclays Bank PLC, Lloyds Bank PLC and Midland Bank PLC.

five years after becoming a bank, as no shareholder will be allowed to own more than 15 percent. Abbey's spokesman, Stewart Gowans, said that 20 percent of the group's 7 million members must

vote on the proposal, and 75 percent of that minimum must approve the plan. That procedure, and regulatory approval by the Bank of England, could take 18 months to two years.

Ending Trend, U.S. Car Sales Decline 2.3%

DETROIT — Sales of U.S.-made cars were down 2.3 percent in mid-March from 1987 levels, ending a trend of higher sales that began early this year.

The eight companies building cars in the United States reported combined U.S. sales of 189,245 cars in the March 11-20 period. This was down from 217,939 cars in the year-earlier period. Mazda Motor Manufacturing USA Corp. began producing cars at its new assembly plant near Detroit late last year.

The annual rate for the industry during the period was a relatively weak 6.4 million cars, the same as a year ago. U.S. manufacturers have sold 1.58 million cars this year, up 14 percent from the 1987 period.

Kawasaki and NKK Agree to Cut Capacity

TOKYO — Kawasaki Heavy Industries Ltd. and Nippon Kokan K.K. have signed an agreement to link their shipbuilding operations and jointly cut production capacity.

The companies will continue talks on a three-way link with Ishikawajima-Harima Heavy Industries Co., the spokesman added. Kawasaki and NKK are expected to file jointly for a 22.9 percent cut in shipbuilding capacity, industry sources said.

The government has urged Japanese shipyards to cut total capacity by 20 percent by the end of this month, to 4.8 million compensated gross registered tons, from 6.03 million a year earlier. The Transport Ministry had approved a tentative NKK plan to trim its group capacity by 27.8 percent.

Black & Decker Drops Standard Bid

TOWSON, Maryland — Black & Decker Corp., the world's largest producer of power tools, has terminated its bid of \$77.4 share, or \$2.4 billion, for American Standard.

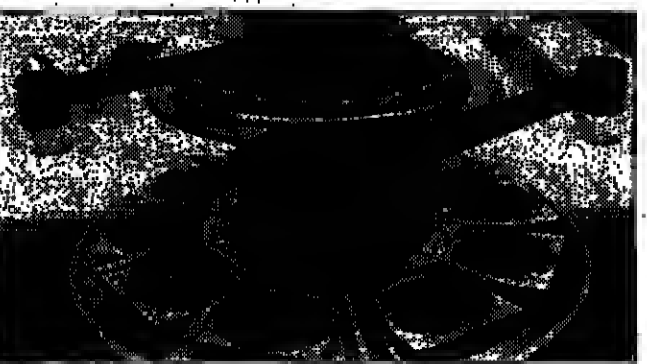
Standard, or fails to purchase shares by May 2, Black & Decker can pursue an acquisition of the building supplies company. Black & Decker said that Kelo agreed to pay it \$25 million provided that Black & Decker does not renew its takeover attempt.

Intel Signs Chip Accord With Micron

SAN FRANCISCO — Intel Corp. announced Wednesday an alliance with Micron Technology, Inc. that will help pave the way for Micron to increase its production of computer memory chips.

CHIPS: In Computer Storage, They Are Gaining Fast on Magnetic Disks

(Continued from first finance page) are also pushing flash memory technology. There are problems with flash memories, however. While information can be read from the chips quickly, it takes a long time to erase and record information. Moreover, the chips slow down sometimes after a few hundred cycles of erasing and recording.



In the manufacture of 4-megabit memory chips, round wafers of ultra-pure silicon are bombarded with boron and phosphorus ions. The process gives each chip unique electrical characteristics.

Magnetic disks uses this technology as well. Iron oxide particles on each little spot on the disk align themselves so that their north poles point in one of two directions, indicating a zero or a one.

HACHETTE: From Railway Kiosk to Media Giant

(Continued from first finance page) ing printing facilities and created an audiovisual sector. Hachette still plans to expand its \$200 million audiovisual operation, but its centerpiece is now the radio station Europe 1.

In October, Mr. Lagardère was faced with the prospect of turning Matra into a publicly owned company in the aftermath of the stock market collapse. The government suspended the sale for three months. When Matra went public in January at a reduced price, the offer was oversubscribed, much to the relief of the government and Mr. Lagardère.

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INTERNATIONAL CONSULTING FIRM has immediate openings for experienced MANAGEMENT CONSULTANTS specializing in productivity improvement, supervisory training and design of control systems.

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CURRENCY MARKETS

Pound Firms, Closes Under 3.11 DM

NEW YORK — The British pound rose Wednesday against the Deutsche mark in nervous trading in New York and Europe. Despite reports of light intervention from the Bank of England. Dealers said the pound remained attractive because of its relatively high interest rates. A similar attraction has been boosting the Australian and Canadian dollars, dealers said, prompting the central banks of those countries to intervene Wednesday to limit the currencies' rise.

London Dollar Rates table with columns for Currency, Bid, and Ask prices for Deutsche mark, Japanese yen, Swiss franc, and French franc.

above the 3 DM barrier. But it later responded to the currency's jump to 3.10 DM by cutting interest rates by 100 basis points. Prime Minister Margaret Thatcher has expressed concern that the steps needed to restrain the pound — lower interest rates or heavy official selling of sterling — will prove inflationary. "But the pressure is certainly still on" the pound, said one U.S. dealer. "It's been well supported all day" by market buying.

Interest-Rate Differential Boosts Australian Dollar SYDNEY — The Australian dollar on Wednesday hit its highest level against the U.S. dollar in nearly two years, and economists said the Australian currency appeared ready to move higher. Strong offshore buying prompted by relatively high interest rates in Australia pushed the currency beyond 74 U.S. cents during trading. The Australian unit closed later at 73.98 cents, off its high for the day, after the central bank sold limited volumes of the currency. It subsequently rose in New York trading to 74.20.

Interest-Rate Differential Boosts Australian Dollar

But the market started to pay attention to the high-yielding currencies, especially the Australian dollar. A renewed interest in Australian Eurobond issues and an interest-rate advantage in Australia has helped drive the unit higher. The rate differential with the United States is 4 to 5 percentage points and with Japan and West Germany, 5 to 6 points. "There's nothing on the horizon to stop it reaching 75 U.S. cents in the next month, except a continuing expectation of Reserve Bank intervention," said Paul Smith, chief dealer at Westpac Banking Corp., of the Australian dollar. But most dealers said there was little chance of heavy intervention to bring down the dollar and protect Australian exports. They said economic fundamentals were sound and the market was orderly. "At this stage, I cannot see anything happening to take away the strength of the dollar in the next month or two," said John Peters, senior economist of Midland International Australia Ltd. "It could weaken if the Reserve Bank tried to ease monetary policy."

Shed Inflation Fears, Europe Is Told

GENEVA — Western Europe, having curbed inflation, now must revive its stagnating economy in order to create more jobs, increase trade and help head off recession, United Nations economists said on Wednesday. The annual economic survey for 1987-88 by the secretary of the UN Economic Commission for Europe said economic growth in Western Europe slowed to a disappointing 2.25 percent last year from 2.5 percent in 1986, and was unlikely to exceed 2 percent in 1988. Because of prolonged stagnation, productive capacity was hardly rising in major West European countries. "Human capital" was also deteriorating due to large-scale unemployment of young people, many of whom had been idle for long periods since leaving school, the survey said.

million, added the 34-nation ECE, which groups all European nations, including the Soviet Union, and the United States and Canada. "Western Europe, therefore, appears to be caught in a low growth trap," the survey said. "With steady deterioration in short-term prospects, as appears to be the case in 1988, capital formation is discouraged and the trap gets tighter." "Weak demand accompanied by low expectations of growth are the main reasons for this lack of dynamism," the survey added. It said policy-makers in Western Europe might still be restrained by fears of resurgent inflation, but they should not be. Inflation was now generally very low and, apart from a few cases, was no longer a major economic or political issue in Western Europe. "The costs of preventing any marginal increase in current inflation rates should now be set against the large and increasing costs of continued low growth and stagnation," the survey said. "The West European economies need to strengthen the growth of their productive capacities, not allow them to weaken," it said.

The survey said economic growth in the 34-nation region as a whole slackened to about 2.5 percent last year from just over 3 percent in 1986. Current forecasts pointed to a further slowdown in 1988, it added. The slowdown was expected to be sharp in Britain and Italy, where growth was quite strong in 1987. Slower-growth economies were likely to show no improvement or worsen, the survey said. Only North America maintained steady growth last year, at around 3 percent. Despite sharply reduced U.S. domestic demand and higher exports, the fall in the U.S. dollar exchange rate against other currencies throughout 1987 meant there was virtually no improvement in nominal trade balances, with both the U.S. deficit and the West German surplus showing increases, the survey said.

Bundesbank Director Reproaches Bonn for Tax on Securities Trading

By Ferdinand Protzman International Herald Tribune FRANKFURT — One day after Chancellor Helmut Kohl's cabinet approved a controversial tax reform program, a Bundesbank director, Claus Kohler, sharply criticized the government for failing to keep its promise to abolish a turnover tax on securities trading. "The market's trust in the competence of the economic policy has been a blow" from the government's failure to abolish the tax, Kohler said in a letter to the first annual report of the West German Stock Exchange Association, released Wednesday. "Meanwhile in Bonn, a Finance Ministry spokesman said that the

government's 20 billion Deutsche mark (\$11.76 billion) tax reform program, announced Tuesday, included a revision of the withholding tax. Under the revision, due to take effect in 1989, the withholding tax would not be applicable to accrued interest on bonds. In a recent public letter, leading West German bankers had petitioned the government for such a revision. They argued that the imposition of such payments would result in unacceptably high administrative costs because of the rapid turnover of bonds during the course of a trading day. Leading bankers remain unhappy with both the withholding and securities turnover taxes despite the revision. Mr. Kohler pointed out that the government had promised in its 1987 annual economic report to

"abolish the turnover tax in the next legislative period." "Banks, particularly foreign banks, planned accordingly," Mr. Kohler said. "They were disappointed. But not only that, this withholding tax was introduced. What hurts is the combination of the unfulfilled promise to lift the turnover tax and unexpected introduction of the withholding tax." Although West Germany's universal banking system offers investors many advantages, "financial center West Germany remains too heavy," he said. "There are relatively too many credits given out and relatively too few fixed-interest securities and stocks issued. Industrial bonds are completely lacking in the financial program." While those developments have historical roots in the financial restrictions of the postwar reconstruction era, "the problems arising

from the turnover tax and withholding tax are homemade," he added. "A securities turnover tax doesn't have to be disruptive if there is harmonization of technical and tax factors among the most important financial centers," he added. "But this has not happened. In London, foreign securities are exempted from the turnover tax applied there. This gives stock trading in London an advantage over the German exchanges." Rüdiger von Rosen, the executive director of the association, which is the umbrella organization of the nation's eight stock exchanges, was more blunt in his criticism. "This tax puts securities trading in the Federal Republic at a disadvantage," he said in the report. "It raises transaction costs and makes it more advantageous for foreign

investors to buy and trade German securities in other financial centers." Mr. von Rosen said the tax also meant the West German financial center cannot offer "the same palette of investment opportunities as other centers." He called for the creation of an options exchange to allow investors "the possibility of hedging their investments." The government and the nation's banks have been wrangling for months over the ground rules for creating such an exchange. Kohl Threatens to Reign Chancellor Kohl saved the tax reform bill only by threatening to resign unless his partners in the coalition government dropped demands for changes in his plans for tax cuts, according to government sources in Bonn quoted by Reuters.

BLOC: East European Growth Slowed Sharply in '87

(Continued from Page 1) higher level of indebtedness," which they have been reluctant to assume. East European net debt rose from roughly \$65 billion to \$75 billion last year, and Soviet debt rose from \$23 billion to \$25 billion, largely because of the decline in the dollar's value, the report said. But it said that restraints on imports, particularly of Western technology, would hinder domestic economic growth and the drive for modernization. "The latter is of key importance if the East is to improve its export capacity, reverse the decline in its international competitiveness and move toward the goal of currency convertibility," the report said. East-West trade stagnated last year and prospects for its revitalization are not favorable, the report said. "These prospects for East-West trade are at variance with the impression of strengthening East-West economic integration stemming from the improvement in the political climate, and changes in the economic mechanism being im-

plemented in several Eastern countries," the survey said. On the trade front, the fall of world oil prices and the depreciation of the dollar were "the major immediate difficulties confronting the Soviet Union," the survey said. As the value of its exports fell, the Soviet Union increased export volume by 21 percent in 1986 and by 5 percent in the first three quarters of 1987, largely by boosting sales of crude oil and natural gas. Soviet imports were cut by 19 percent in volume in 1986, and by an additional 10 percent in the first three quarters of last year, bringing the trade balance with the West into balance in 1987 after two successive years of deficits. "Given the recent drop in the value of the dollar and weakening oil prices, the Soviet terms of trade and balance of payments will be under renewed pressure in 1988," the report said. This, it said, was likely to lead to further increases in the volume of Soviet exports, rather than a big rise in Soviet borrowing. On the production side, the commission said that agriculture seemed to have been mainly re-

sponsible for holding back overall growth in the Eastern economies last year. In Eastern Europe, agricultural production fell by 0.5 percent, after a 5.3 percent rise in 1986. Soviet farm output, which also expanded by 5.3 percent in 1986, rose by only 0.2 percent last year. In the industrial sector, the slowdown was less pronounced. Soviet gross industrial output increased 3.8 percent last year, 1 percentage point less than in 1986, but in line with the official target. East European industrial production rose 3.5 percent, also 1 percentage point below 1986 growth, but half a percentage point below planned levels. Plans for 1988 call for an overall 5.9 percent growth rate for the Soviet Union, with a 5.5 percent increase in agricultural production. Eastern Europe is aiming for 4.8 percent growth and a 3.5 percent rise in farm output. "These targets will be difficult to achieve, given that expansion on this scale has not been achieved for a decade or so in some cases," the commission said.

Wednesday's OTC Prices NASDAQ prices as of 4 p.m., New York time. This list, compiled by the AP, consists of 1,000 most traded securities in terms of dollar volume. It is updated daily, 9 a.m. to 4 p.m. Via The Associated Press

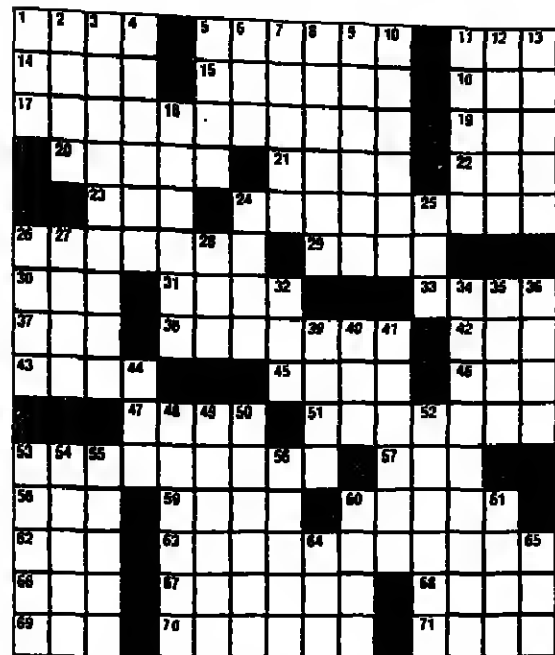
Table of OTC prices for various stocks including ABC, AIG, AIZ, etc.

Table of stock prices for various companies including AIG, AIZ, ALC, etc.

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5 Footless
11 Crazy
14 Melancholy
15 Moham med's daughter
16 Uria hero
17 Porter on space travel
19 Command to Fido
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3 "Get —" Porter on jumping
4 Do some cobbling
5 "... man is not —" Pope
6 Kind of window
7 N Japanese city
8 Indian bigwigs
9 Actress Blake
10 One of Rocke's Four Horsemen

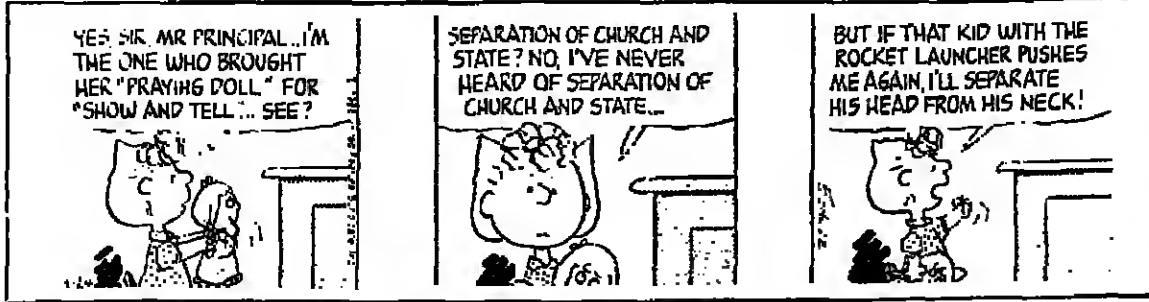
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59 Mother of the Titans
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26 Roberto's residence
27 Floyd won it in '86
28 Sweet one of note
29 Herbert Hoover was one
30 "Don —" Porter on claustrophobia
35 Grocery item
36 Wais event: 1965

DOWN

39 German cheer
40 Harem room
41 Love apple
44 Thus: Sp.
48 Throat ailment
49 "... earth?" (incredulity phrase)
50 Nap
52 U.S.S.R. newspaper
53 Insurgent
54 Steamed
55 Sky Dragon
56 Cod or haddock
60 Contract feat
61 Gunpowder
64 Methyl ending
65 Many wks. of Horsemen

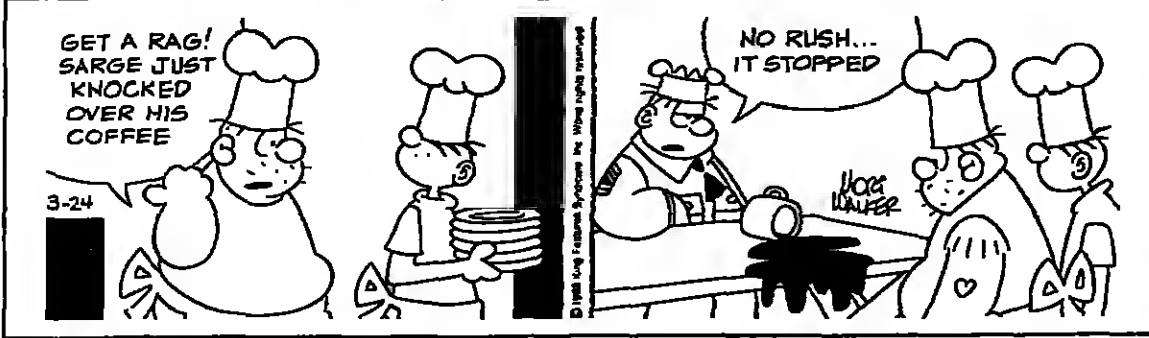
PEANUTS



BLONDIE



BEETLE BAILEY



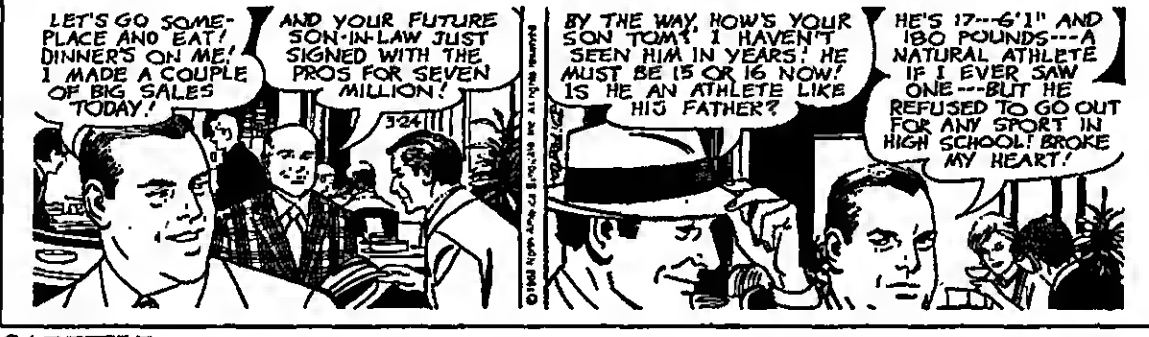
ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



DENNIS THE MENACE



JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

DEWPI
TANBO
ENTINY
AXALGY

Answers: AN, FLY, BUCKS, FLUNKY

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	17	13	Bangkok	35	24
Austria	15	10	Beijing	18	13
Berlin	15	10	Hong Kong	17	13
Bombay	30	25	London	15	10
Buenos Aires	15	10	Manila	28	24
Calcutta	30	25	Osaka	18	13
Cairo	25	20	Seoul	15	10
Chicago	15	10	Tokyo	15	10
Colombo	28	24			
Dacca	28	24			
Delhi	28	24			
Hankow	15	10			
Hong Kong	17	13			
Kobe	15	10			
London	15	10			
Madras	28	24			
Manila	28	24			
Medan	28	24			
Osaka	18	13			
Seoul	15	10			
Tokyo	15	10			
Yokohama	15	10			

BOOKS

CLAIMING THE HEAVENS:
The New York Times Complete Guide to the Star Wars Debate

By Philip M. Boffey, William J. Broad, Leslie H. Gelb, Charles Mohr and Holcomb B. Noble. 299 pages. \$17.95. Times Books, 201 E. 50th Street, New York, N. Y. 10022.

Reviewed by Kosta Tsipis

"CLAIMING THE HEAVENS," a multi-author compilation of the New York Times' coverage of the origins and circumstances of Star Wars, reflects and propagates the confusion that has surrounded the Strategic Defense Initiative (SDI) since its inception. The problem comes, in the book as in the public debate, with the technical details. Because the scientific and technological principles on which SDI will rise or fall as an effective defense system are beyond the capacity of the authors to judge for themselves, their reports are necessarily derivative of the judgments of others. Therefore what they record reflects what they have spoken with and what their impressions of their sources were. Some of the authors are more judicious than others in weighing the information they are offered, keeping a coherent course within a context of opposing views. Others are almost totally credulous, repeating claims of significant progress even while noting criticisms that would seem, if taken seriously, to negate this claimed progress completely.

Because the chapters are derivative of articles written for the Times over the years since the announcement of SDI in 1983, some have a stale quality by now. The first two chapters duplicate material in a book published three years ago by one of the authors (William J. Broad's "Star Warriors") on the young scientists of the Livermore weapons lab, but are nonetheless interesting reading in condensed form here, especially the chapter on the little-known, very conservative, defense-minded Hertz Foundation, provider of fellowships for many of the best young weaponers.

Coordination among the various chapters of the book is not perfect; indeed, it does seem that many of the authors have read an idea behind Star Wars and the background nuclear policy, arms control and the international situation are fine. It is in the chapters "The Struggle to Build It," which begins to chronicle the technical issues of SDI, that trouble starts. This chapter illustrates the sources of confusion in the public Star Wars debate. With all the good intentions and vigorous reporting efforts in the world, it is a pity that the confusion bred lack of technical judgment.

The chapter confuses basic categories, then by missing important implications. One paragraph asserts that: "Essentially, what distinguishes Star Wars from the earlier attempts at missile-defense systems in the 1960s... is a greatly advanced high technology, much which operates at the speed of light." The next paragraph goes on to note, however, that "there are no clear winners in the race to perfect different kinds of weapons from among the possible three categories: the lasers (speed of light), particle beams (near speed of light) and computer-guided or smart projectiles as rockets (relatively slow)... It may turn out that slow projectiles... are simply more feasible than their exotic brethren.

The important point here is that once the Strategic Defense Initiative Office moved in December 1986 to a recommendation of near-term deployment using currently existing technologies like interceptor rockets and "smart rocks," the SDI effort was on a completely different course from the one proposed by President Reagan and supported in principle at least by large segments of the public "Star Wars II," as this incarnation is known among the cognoscenti, is little more than reheated version of the 60s defenses served up with much fanfare and little expectation that Congress will actually pay for it.

The chapter on "Counterattack in Space and 'A War Run by Computers'" by two different authors, stand in marked contrast to most of the other technical chapters. The first is carefully structured, tightly argued, and sober, reflective, presenting balance and reason and good reporting, along with acknowledgment of the difficulty of fully evaluating classified program. Each statement is pursued to its logical conclusion, dealing with all implications and alternative interpretations. The second of these chapters, a close investigation of the computer requirements basic to the form of missile defense, is a model of how to explain something technical to the public without getting drowed in the details.

Surely it is good to have press coverage of this significant technological and political effort gathered together, on record in accessible form. On the other hand, along with useful information, errors, irrelevant facts and inconsistencies are being writ in stone here, fix within hard covers, ready for research on citation, but still wrong, misleading, ill comprehended or incomplete. The technically sophisticated reader must beware.

Kosta Tsipis, a nuclear physicist, wrote a review for The Washington Post.

Solution to Previous Puzzle

S	P	I	R	O	A	L	A	C	K	S	J	S
O	A	T	E	R	S	A	R	A	N	T	N	T
O	N	E	M	A	N	G	E	A	C	A		
R	E	L	A	Y	N	E	E	D	E	E		
G	L	A	D	G	R	E	A	T	R	E	N	T
S	A	T	V	R	T	N	S	T	E	S	S	A
A	W	E	I	H	A	D	G	R	A	T	E	
I	S	A	M	O	T	H	E	R				
S	O	R	E	L	A	M	A	N	A	L	I	X
K	A	R	E	N	S	I	E	L	E	A	T	
E	L	A	N	S	I	E	L	E	A	T		
L	I	E	L	E	M	S	B	R	O	N	K	
E	E	L	E	M	I	S	T	R	E	N		
R	I	S	S	E	D	A	N	E	D	O	T	E

BRIDGE

By Alan Truscott

HERE is no recorded case of a major bridge event being rained out, but it nearly happened recently at the Adria Motor Inn in Bayside, Queens. When the evening session of grand national knockout play was about to start, water began pouring out of the ceiling. Players and officials hurriedly moved to another area.

The eight surviving teams contested the quarter-finals at the Covedish Club in Manhattan. The midpoint margins by captain were: Jim Becker led Michael Camp by 20 imps; James Hurwitz trailed David Berkowitz by 74; Ira Ewen led Saul Bronstein by 6; Victor Mitchell trailed Alan Sontag by 9.

After the auction shown, Harold Life doubled and led two top clubs. His partner, David Berkowitz, ruffed the third round of clubs and avoided the routine return of the heart queen.

East returned the deuce, West drew the right conclusion, and after winning the heart ace, he played his remaining club. This allowed his partner to kill dummy's ten with a ruff, and South had to lose a diamond trick eventually for down two.

In the replay East-West tried five hearts when the bidding reached four spades. The defense was Lisa Berkowitz and Joyce Lilie was exactly right, for North led a spade and South shifted to a diamond. North played the nine, forcing the queen, and the defense eventually scored two diamond tricks for down one. The result was 9 imps for the Berkowitz team.

Notice that routine defense would have given West a chance in five hearts. If two rounds spades are led, for example, declarer can maneuver an ace play. The play may go: club spade; two top clubs; ruff diamond queen to ace; club heart jack; diamond to king; club playing North.

NORTH	WEST	EAST	SOUTH
♠ 10 9 8 7 6 5 4 3 2	♠ A K Q J 10 9 8 7 6 5 4 3 2	♠ A K Q J 10 9 8 7 6 5 4 3 2	♠ A K Q J 10 9 8 7 6 5 4 3 2
♥ 10 9 8 7 6 5 4 3 2	♥ A K Q J 10 9 8 7 6 5 4 3 2	♥ A K Q J 10 9 8 7 6 5 4 3 2	♥ A K Q J 10 9 8 7 6 5 4 3 2
♦ 10 9 8 7 6 5 4 3 2	♦ A K Q J 10 9 8 7 6 5 4 3 2	♦ A K Q J 10 9 8 7 6 5 4 3 2	♦ A K Q J 10 9 8 7 6 5 4 3 2
♣ 10 9 8 7 6 5 4 3 2	♣ A K Q J 10 9 8 7 6 5 4 3 2	♣ A K Q J 10 9 8 7 6 5 4 3 2	♣ A K Q J 10 9 8 7 6 5 4 3 2

World Stock Markets

1 in Agency France Presse Closing prices in local currencies, March 23

Amsterd.	Brussels	Frankfurt	London	Madrid	Paris	Stockholm	Zurich	Osaka	Seoul	Tokyo
ABN Bank 41.70	Deutsche Bank 256.50	Commerzbank 147.50	Alfa Romeo 185.00	BBVA 115.00	BNP 750.00	Swiss Bank 1200.00	Asahi Chemical 1200.00	Daewoo 1200.00	Hyundai 1200.00	Yamaha 1200.00

Handwritten text: 10101010

SPORTS

Even at the Top, the Little Guys Have a Steep Climb

By John Feinstein

WASHINGTON — The myth of the NCAA basketball tournament is that all 64 teams have a chance when the ball goes up in the opening round. The reality is something else again.

Yes, there are upsets. Richmond and Rhode Island in 1988 are Southwest Missouri State and Austin Peay in 1987. Cleveland State and Arkansas-Little Rock in 1986. But there is little doubt that when the tournament committee sets up the field, schools from the rich and powerful conferences are put in the best position to advance, and to win.

Consider this year's draw: The 16 bottom-seeded teams all come from conferences that received only one bid — an automatic one — into the field. Only two schools from a one-bid conference, Loyola Marymount and Xavier, were seeded higher than 13th. Loyola, with the nation's highest-scoring offense and longest winning streak, was seeded 10th in the West; Xavier with a 26-3 mark, was No. 11 in the Midwest.

"There is no question that teams like ours are caught in a Catch-22 situation," said Don Corbett, North Carolina A&T's coach. "We can't get a higher seed because we've never won in the NCAA. But it's very hard for us to win because when you're a low seed you play a very high seed — a very tough team."

Given that A&T plays in a weak league and has an 0-7 record in the NCAA tournament, its spot as the No. 14 seed in the East could be justified in spite of a 26-2 regular season record. But other teams from non-name leagues that have won games in the tournament have not been rewarded with improved future seedings.

Take Richmond, for example. The Spiders come out of the Colonial Athletic Association, a league few people outside of Maryland, Virginia and North Carolina know anything about. Yet in the 1980s, the CAA has produced teams like James Madison, which beat Georgetown one year and Ohio State the next; Navy, which beat LSU in 1985 and reached the final eight in 1986, and Richmond, which beat Auburn in 1984 and so far this time has beaten Indiana and Georgia Tech.

In 1986, when it finished second to 30-5 Navy, Richmond became the first CAA team to receive an at-

large bid to the tournament. It even received a No. 11 seed, losing a tough first-round game to sixth-seeded St. Joseph's. "I thought that that we had made a breakthrough because of what the league had accomplished," said Coach Dick Tarrant. "I was really surprised when we were seeded so low this year."

This year, Richmond was 24-6 in the regular season. It won at Georgia Tech and at Arizona State (ear-

ly, when ASU was playing well) and played North Carolina to the wire. It also beat teams MIT teams like Virginia Commonwealth and Old Dominion. And yet the Spiders were seeded 13th.

"Strength of schedule has become really important the last few years," said ACC's commissioner, Gene Corrigan, who was on the basketball committee for six years. "More and more, the com-

mittee looks at who you've played as much as anything."

That was done to discourage teams from padding their schedules with patties to get 20 victories. But the trend may have gone too far. Richmond certainly played a respectable schedule. Yet in spite of its record, it was seeded well below teams like Maryland (No. 7); Georgetown (No. 8); Louisiana State (No. 9) and St. John's

(No. 11). All four had mediocre records but had beaten some strong teams and, apparently just as important, had lost to strong teams.

If you play in a big-name league, you will play big-name teams. Even if you lose to those teams — St. John's lost eight of its last 11 pre-tournament games — you still will be seeded higher than the schools from the smaller conferences.

And yet, for several years now, schools from smaller conference have proven they merit more consideration. This year there is more proof. Murray State beat North Carolina State and scared Kansas to death; Richmond has pulled its upsets, and Rhode Island beat Missouri and Syracuse.

The Rams play in a middle-size league, the Atlantic Ten. They were 26-6 (three of their losses were to top-ranked Temple), but only four at large schools were seeded lower than they were.

Yet Rhode Island has succeeded. Richmond has. Murray State has. And Southern, the 15th-seed in the Southeast, played No. 2 Kentucky almost even for 30 minutes.

But it's unlikely that such performances will have much influence on the selection committee in future years. One reason is television. CBS pays the NCAA \$55.1 million a year for the right to televise and run the tournament. It is clearly in the network's best interest to have the marquee teams and the more visible coaches and players. It doesn't help ratings to have Murray State knocking out N.C. State and Jim Valvano, Richmond eliminating Indiana and Bob Knight or Rhode Island sending Derrick Chavis out of Missouri's parking lot.

The members of the committee know the network would prefer attractive matchups of colorful coaches and players. The Southeast, North Carolina A&T's and Murray States just don't fit that profile. As far as the NCAA and the network are concerned, the sooner they are home watching on TV, rather than playing on TV, the better.

And yet when a new team does emerge, it makes for a terrific story. Last week, CBS spent a lot of time talking about Rhode Island and its star player, Tom Garrick, whose blind father comes to all URI's games, and has his other sons sitting next to him describing the action down on the court.

Still, it's a steep ladder the small schools have to climb.

Arkansas State Nips Stanford, 60-59, On Free Throw With 00:00 on Clock

Compiled by Our Staff From Dispatches

STANFORD, California — Rhon Johnson sank a free throw after time expired Tuesday night to give Arkansas State a 60-59 victory

over Stanford in the second round of college basketball's National Invitation Tournament.

Stanford led by 59-56 with just over two minutes left when John

Tate hit a free throw and followed with a rebound shot to tie the score.

ASU called time-out with 19 seconds left and then held the ball until Johnson was fouled by Howard Wright with the clock showing 00:00 but before the buzzer had sounded.

After Stanford called two time-outs, trying to rattle the reserve guard, Johnson calmly sank the first of two shots with a standing-room-only crowd screaming.

Stanford led several times in the second half, but missed five free throws — four by center Greg Butler — in the closing minutes.

Tate scored 19 points to lead ASU. Todd Liehti had 23, including 14 in the second half, to pace the losers.

It was Stanford's first-ever national tournament loss. In the school's only other postseason appearance, it won the NCAA championship in 1942.

In the only other second-rounder won by a visiting team, Dana Barros had 32 points, 5 rebounds and 6 assists to lift Boston College to an 86-81 triumph over Evansville.

In home-court victories Tuesday night, it was Colorado State 71, Houston 61; Middle Tennessee State 69, Georgia, 59; Ohio State 86, Cleveland State 80; New Mexico 78, Oregon 59, and — knocking out the defending champion — Virginia Commonwealth 93, Southern Mississippi 89.

Friday night's quarterfinals will have Virginia Commonwealth at Connecticut, Ohio State at New Mexico and Arkansas State at Colorado State.

On Saturday, Boston College is at Middle Tennessee State. (UPI, AP)



Jerry Francis contributed 21 points to help Ohio State down Cleveland State, 86-80 in an NIT second-round Tuesday night.

Svet Wins Final Race, World Cup Giant-Slalom Title

Compiled by Our Staff From Dispatches

NEW DELHI — India will not be a team to Israel for Davis Cup competition next month to protest Israel's repression and atrocities against Arabs in the occupied territories. Prime Minister Rajiv Gandhi announced Wednesday.

Israel and India were scheduled to play a Davis Cup best-of-five world group relegation series in Tel Aviv beginning April 7. For refusing to play, India is subject to a 10,000 fine and possible suspension from the 1989 Davis Cup competition by the International Tennis Federation.

Gandhi told the lower house of parliament that India would have sent a team had Israel agreed its request for a "neutral" venue.

In Jerusalem, Zvi Meyer, secretary of the national tennis association, said, "This is a shock. We did not want to win this way."

According to United Nations figures, 107 Palestinians have been killed by Israeli soldiers or settlers since protests began last December in the Israeli-occupied West Bank and Gaza Strip. One Israeli soldier has been slain.

India does not have diplomatic relations with Israel, but Israel maintains a consulate in Bombay. A leading member of the Non-Aligned Movement of nations, India has close ties to Arab countries.

Last July, after much debate, India hosted a cup world group quarterfinal against Israel. India won, 4-0; it went on to the final, in which it was trounced by Sweden. This year, India lost its first world group series against Yugoslavia.

(AP, UPI)

India Pulls Out of Cup Match in Israel

SCOREBOARD

Table with columns for Basketball, IBA Standings, and NCAA Standings. It lists various teams and their records in different divisions.

Figure Skating

Table showing World Championships results for Ice Dance (Original and Pattern) and Pairs (Short Program).

Transition

European Soccer

Preseason Baseball

Tennis

World Cup Skiing

GA Leaders

World Cup Skiing

GA Leaders

World Cup Skiing

GA Leaders

World Cup Skiing

GA Leaders

World Cup Skiing

GA Leaders

World Cup Skiing

GA Leaders

World Cup Skiing

GA Leaders

World Cup Skiing

GA Leaders

U.S. Cycling Rookie Bails Out of Europe

By Samuel Abt

Intercontinental Herald Tribune

FOSSACCSIA MARINA, Italy — Nothing went right for Mike Chavez in the two months after he moved from the United States to Italy to start his first season as a professional bicycle racer. Climate, food, water, even the air he labored to breathe on training rides weakened him.

"Ever since I've been in Italy I've been fighting illness," he said after a recent stage of the Tirreno-Adriatico race across Italy. "In the past few days, my stomach has been grinding and I haven't been sleeping well. My health just isn't up to par."

So this week, Chavez, 23, went back home on official leave, planning to see a doctor and visit his parents in New Mexico. "I'll be back," he promised bravely. "It's just kind of go home, recuperate, get my fitness back up and then come back here."

Perhaps it really will work out that way. During his first season in Europe, Greg LeMond fled months of misery by returning to the United States, rebuilding his morale before coming back to Europe and beginning to win the races that led to his victory in the 1986 Tour de France.

LeMond was the exception. Each year a handful of American bicycle riders come to Europe to seek the glory and wealth few can find at home, where racing is still a

minor sport. Almost unanimously, the Americans find European life too demanding, too different, too foreign. After a season or two they are back home. "The first year or two in Europe are the hardest part, just being in a different life," LeMond has said.

He gets no quarrel from Chavez, of the little-known Selca team. "I've been brought into reality," he said in his hotel dining room after the day's race from Cassino to Pagnotta in the Abruzzi. Starting the stage in 176th place among the 177 riders, Chavez dropped out during the sole and undemanding climb.

"It was a hard stage," he said. "They're all hard when you feel bad. Bike racing is a humbler. American people say bike racing in Europe is as big as football and baseball and basketball, and it's actually bigger. Much harder."

His results have been poor in other seasons, Chavez said. He began racing at 17 in Colorado, where he had moved to become a ski racer. At 18 he was ranked 10th in the United States among downhill skiers, he explained, adding, "It turned out I was a better bike racer than ski racer."

In 1984, he visited his brother Dennis, who was stationed with the U.S. Air Force in Kaiserslautern, West Germany, and began racing there as an amateur. Last year, unhappy with his progress in U.S. races, he returned to West Germa-

ny. "Things were very good for me. I raced very well, got good results. I'm mostly a sprinter but in the last year or two, I've been able to stay with the climbers."

An official of the Cicloclina company, which makes bicycle accessories, spotted Chavez and recommended him to Selca, a small, low-budget team that races almost exclusively in Italy (the modest Tour of Denmark will be its major foreign excursion).

From the day he arrived in Sicily on Jan. 15, Chavez had problems. "I got really sick — seven days in bed — just before the Giro of Sicily and wasn't able to race at all. The climate, food and a little bit of water I drank had something to do with it."

"When I was in Germany I had no problems. Here the climate's been difficult, hot and cold, hot and cold again. Also I'm used to a real dry climate and it's very very wet here."

He lives in a small town outside Imola, near Bologna, where training is difficult. "The air isn't very good because there's a lot of farmland and the farmers just burn all their fields off. And all the cars, it seems they all burn gas into the air. I'm used to Colorado, where if you're in a 100-mile ride and if three cars come by blowing smoke, you're upset. Here you're lucky if a car goes by and doesn't."

"Professional racing is a whole different thing from amateur racing. I've learned that quick. You don't just turn pro, you don't just say 'OK, I'm a pro now.' There are so many good riders, so many riders who can win the race."

Was he simply homesick? "I did feel that at first," he admitted. "Here, just communicating was a very big problem. Home's a great place, but this is what I want to do. I want to race."

"Everybody has good days and bad days. I've been fighting this long. I'm not going to stop now. I've gotten this far, I'm not going to stop now. I'm just planning to go back to America for a little while."

Swimmer Evans Sets Mark in 800

The Associated Press

ORLANDO, Florida — Freestyle Janet Evans set an 800-meter world record at the U.S. swimming championships here Tuesday night.

Timed in 8 minutes, 17.12 seconds, Evans now holds world records in the 400, 800 and 1,500.

The 800 mark has changed hands three times in nine months after Australian Tracey Wickham's 8:24.62 had stood from 1978 to 1987. Evans broke it last July in 8:22.44 at East German's Aank Mochling swim an 8:19.53 a month later.

Large advertisement for ESCORTS & GUIDES featuring various international travel services, including London, Zurich, Geneva, and other destinations. Includes contact information and service details.

Pages 16 & 11 FOR MORE CLASSIFIEDS

ART BUCHWALD

One More War to Go

WASHINGTON — "Do you think Reagan wants to get into a war?" Duvalle asked me. "Why don't you ask him?" I said. "What good will it do? He can't hear me above the noise of his helicopter. Tell me why he sent 3,200 troops to Honduras."



Art Buchwald

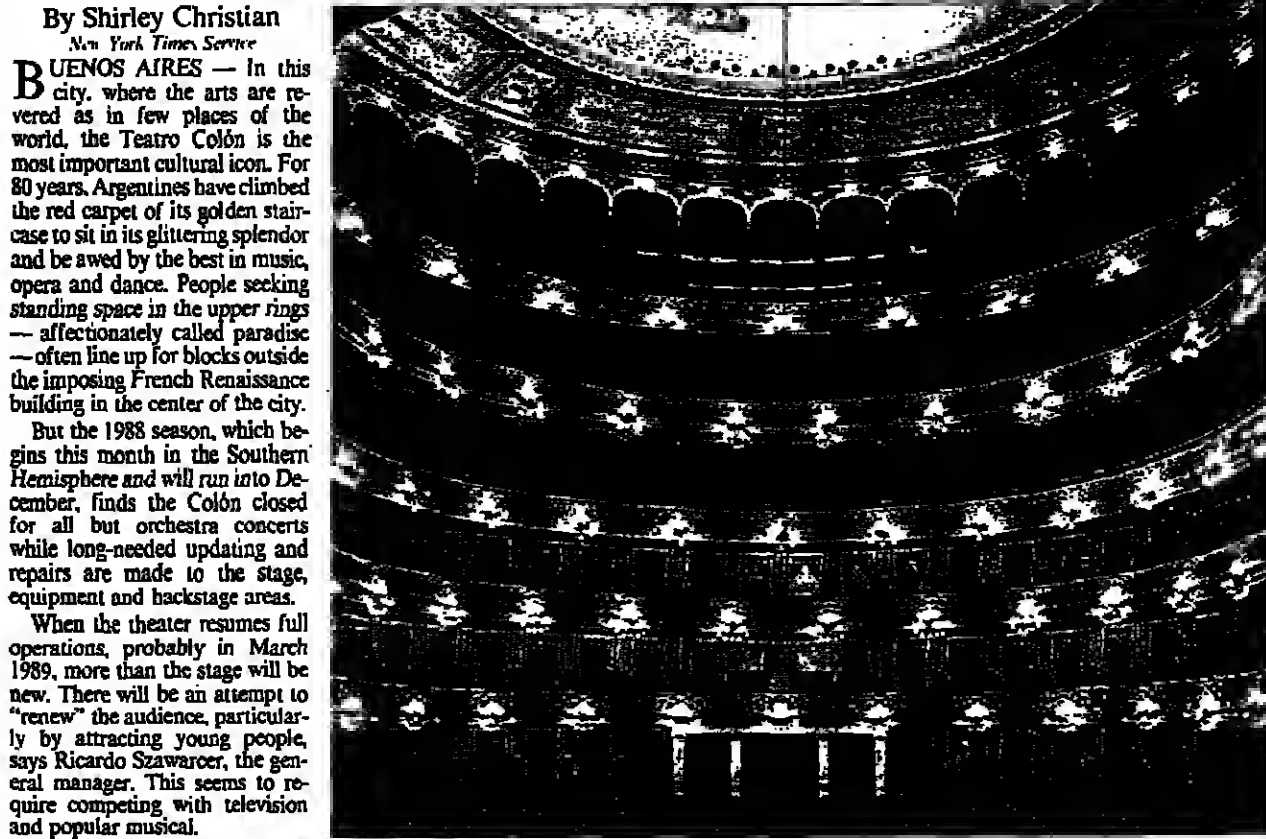
Search Starts For Giant Earwig

LONDON — Two men from the London Zoo will set off for Britain Thursday to search for the world's largest earwig on St. Helena, the remote South Atlantic island where Napoleon Bonaparte died in exile.

wouldn't give the freedom fighters anything to fight with, so the White House decided to go behind their backs and send our boys to Honduras to make sure the Contras get the support they need to fight the Sandinistas."

Don't Cry for Argentina's Opera

By Shirley Christian New York Times Service BUENOS AIRES — In this city, where the arts are revered as in few places of the world, the Teatro Colon is the most important cultural icon. For 80 years, Argentines have climbed the red carpet of its golden staircase to sit in its glittering splendor and be awed by the best in music, opera and dance.



The Teatro Colon, opened in 1908, is a glittering monument to Buenos Aires's love of culture.

joined the American Ballet Theater from the Colon in 1986, gets the attention of a conquering sports hero when he returns. Despite the probably justified feeling that the ensemble lacks the depth of quality of comparable theaters elsewhere, there are other examples of fine talent nurtured by the Colon. Jorge Donn, long a principal dancer and now choreographer for Maurice Béjart's company, studied at the Colon's ballet school.

hundred more, operates on a budget of about \$10 million a year. Only 15 percent is covered by ticket sales; with the remainder coming from the municipal government. The theater employs about 1,000 people full time, and about 400 others for part of each season. Although this city of more than 10 million people has always been the cultural heart of Argentina, the provincial capitals also built splendidly fine theaters early in the century. Some still function, providing stages for tours by the Colon companies and others.

A tragic example was José Neglia, who was named best male dancer at the International Dance Festival in Paris in 1968, but died in a 1971 plane crash with eight other Colon dancers. Maximiliano Guerra and Eleonora Cassano, two Colon dancers who won a silver medal at last year's New York International Dance Competition, are guest performers with the Los Angeles Ballet.

The Colon, with seats for 2,200 and standing room for several hundred more, operates on a budget of about \$10 million a year. Only 15 percent is covered by ticket sales; with the remainder coming from the municipal government. The theater employs about 1,000 people full time, and about 400 others for part of each season.

PEOPLE

Playwright's Papers

A Florida judge has ordered that unpublished writings by Tennessee Williams be given to Harvard University, over objections by trustees for the late playwright's sister who said the papers may contain "scandalous" allusions to living people.

The Iowa postmaster who found a stolen Claude Monet painting got a pat on the back, but he will collect the \$17,500 reward because he was simply doing his job as spokesman for the St. Paul Fire Marine Insurance Co., which has a \$175,000 claim after the painting was stolen from the Fisher Community Center in Marshalltown March 1987, and recovered this month. Experts say the painting is damaged but restorable. The Fire Foundation, which operates the center, will use the insurance money to build a new gallery. The insurers have said they will probably auction the painting.

"No richer — or funnier — in course exists in contemporary American fiction," the jury said here on giving the 1988 award to Barthelme, 57, a professor of English at the University of Houston.

An executive dean of Harvard John F. Kennedy School of Government has criticized a plan to restore Harvard positions on Texas cattle in exchange for \$500,000 donation. Richard Coughlin praised some aspects of the school's "entrepreneurial style-raising money" but complained about the tentative deal in a confidential report. The Harvard City student newspaper in November published parts of a document that the dean had approved tentatively by the Kennedy School dean, Graham T. Young. The Crimmon also published a memo by an Allison J. Crimmon stating that Mrs. Dickinson was to know the most prestigious of the could buy for \$250,000, asking how much it would cost to be on an advisory committee. Dickinson, of Wichita Falls, is a 19 graduate of Harvard Divinity School and comes from a wealthy Texas oil family.

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